

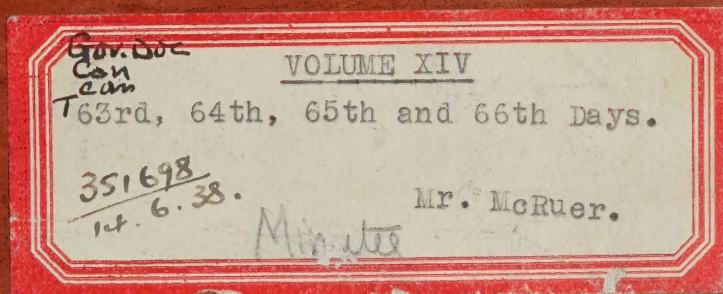
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ROYAL COMMISSION ON THE
TEXTILE INDUSTRY

HON. MR. JUSTICE W. F. A. TURGEON
Commissioner

A. S. Whiteley, Secretary



ROBERT BRYDIE
OFFICIAL REPORTER
TORONTO
CANADA



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J.C. McRuer, Esq., K.C.

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STATE OF NEW YORK

County of ...

IN SENATE

January 1, 1900

REPORT

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

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A.S. Whiteley, Secretary.

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SIXTY - THIRD DAY

(October 6th, 1936)

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Robert Brydie,
Official Reporter.

1917-1918

W. H. BRADIE, F.R.S.

1917-1918

A. H. BRADIE, Secretary

1917-1918

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary.

A p p e a r a n c e s :J.C. McRuer, K.C. and)
E. Beauregard, K.C.) Commission Counsel.J.P. Lanctot, K.C.,) For Special Committee,
and) on Primary Textile
R.L. Kellock, K.C.,) Industries.C.G. Heward, K.C.)
Aime Geoffrion, K.C.)
and) For Dominion Textile Co.
C.T. Ballantyne,)

S.G. Dixon, K.C.) For Courtaulds, Limited,

L.A. Forsyth, K.C.) For Canadian Celanese Ltd.
and Canadian Silk Products
Limited.

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HON. MR. JUSTICE W. R. J. TUNNEY,

Commissioner,

THE CHIEF, MINISTRY,

J. C. ROBERT, K.C. and
J. G. BURNHAM, K.C.

J. L. LAMONT, K.C.,
and
R. L. KELLOGG, K.C.,
For Special Committee,
on Primary Textile
Industry.

C. G. HEWITT, K.C.
and
C. T. HALLAMBYNE,
For Dominion Textile Co.

C. G. NIXON, K.C.
and
L. A. FORSYTH, K.C.,
For Canadian Colours Ltd.
and Canadian Silk Products
Limited.

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Toronto, Ontario,
October 6, 1936

-- The Commission resumed at 10.45 A.M.

DOUGLAS HALLAM Re-examination

BY MR. McRUER (resumed):

Q. Mr Hallam, at adjournment last night we had just referred to Exhibit 656, which was a letter from you to Mr. Watson.

MR. KELLOCK: Date, please?

BY MR. McRUER: Q. Dated September 25, 1928, in which you have stated, referring to a letter of September 24th re publicity for the Silk Industry through Women's Institute:

"I was very pleased to have your letter of September 24th re publicity for the Silk Industry through the Women's Institutes. The points you made are carefully noted and I believe that the work can be done without supplying useful information to foreign firms who may desire to locate in Canada. Of course firms who desire to survey the field obtain information through banks, boards of trade, etc., and we are continually getting enquiries regarding the particulars of the woollen and knitting industry in Canada from all sorts of sources which have to be most carefully answered.

I thought that possibly the enquiry of Katakura and Co. was one of this nature and therefore

8737

Hallam

answered it in the way I did. If they had got hold of the census of industry report they might have concluded that the field here was not occupied. On the other hand they might just want to sell raw silk to the trade here and were surveying the country with this end in view.

I will of course submit any copy, before issuing it, to the Executive of the Silk Association, and if they consider it necessary submit it to a committee."

Now, why did you say, that if they had got hold of the Census of Industry report they might have concluded that the field here was not occupied? A. Because the Census of Industry Report, - the last one out was 1926, if I remember correctly, and this was 1928, and conditions had materially changed between those two years.

Q. Yes, but the point is - and I think you agree - that if they had got hold of the Census of Industry report they might have concluded, that this would be a good place to come and start the manufacture of silk?

A. They would have had incorrect information.

Q. No, no, ---- A. But, Mr. McRuer, --

Q. Will you please answer my question?

A. I think the letter to Katakura speaks for itself.

Q. It would be much better if you would just answer my question? A. All right, Mr. McRuer, I am sorry.

... if they had got
hold of the census of industry report they might
have concluded that the field here was not
occupied. In the other hand they might just
want to sell raw silk to the fringe here and were
surveying the country with this end in view.
...
before issuing it, to the Executive of the Silk
Association, and if they consider it necessary
submit it to a committee."

Now, why did you say, that if they had got hold of the
Census of Industry report they might have concluded that
the field here was not occupied?
A. Because the Census of Industry Report - the last one out was
1936, if I remember correctly, and this was 1938, and
conditions had materially changed between those two

4. Yes, but the point is - and I think you agree
that if they had got hold of the Census of Industry
report they might have concluded, that this would be
a good place to come and start the manufacture of silk.
They would have had incorrect information.

... no, no, ---
A. But, Mr. McNair, --
4. Will you please answer my question?
A. I think the letter to Katakura speaks for itself.
... it would be much better if you would just
... all right, Mr. McNair.

Q. What your view was, that if they got hold of the Census of Industry report they might have concluded that this would be a good place to come and start manufacturing silk?

A. Not at all, sir. They would have concluded that the field was not occupied.

Q. You mean by that, that this would have been a good place to come and start the manufacture of silk?

A. They would have got an erroneous impression from the figures.

Q. That may be your argument, Mr. Hallam, but I am taking the position that you were laying down at the time - and what you meant by this letter to Mr. Watson was, that if they got hold of the Census of Industry report they might have concluded that this was a good place to come and start the manufacture of silk?

A. But they did not have all the figures. The Census of Industry report is a public report which anybody could get.

Q. Whether they had all the figures or not, on the authority of the Government report they would have considered that this was a good place to come and start the manufacture of silk?

A. The 1926 figures would have given that impression.

Q. Well, that is what we meant?

A. That is what I meant, - the 1926 figures would have given that impression.

Q. But in your letter you do not say a word about conditions having been changed. You say --

... that your view was, that if they got hold of
the Bureau of Industry report they might have concluded
that this would be a good place to come and start
manufacturing silk. ... Mr. ...
... would have concluded that the field was not occupied.
... You seem by that, that this would have been
a good place to come and start the manufacture of silk.
... They would have got an enormous impression from
the figures.

10

... that may be your argument, Mr. ...
... but I am taking the position that you were taking at
at the time - and what you meant by this letter to
Mr. ... was, that if they got hold of the Bureau
... was a good place to come and start the manufacture of
silk? ... But they did not have all the
figures. The Bureau of Industry report is a public
report which anybody could get.

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... Whether they had all the figures or not,
on the authority of the Government report they would
have concluded that this was a good place to come
and start the manufacture of silk? ... The fact is
figures would have given that impression.
... Well, that is what we meant?
... in your letter you do not say a word
about conditions having been changed. You say --

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MR. KELLOCK: Read the Katakura letter.

MR. McRUER: Just a moment, Mr. Kellock, please;

I will proceed with that, I have got it in my hand.

Q. You do not say a word in your letter to
5 Mr. Watson about that... You say, that if they had
got hold of the Census of Industry report they might
have concluded that the field here was not occupied,
and that is all you say about it. Now, you wrote
to Katakura on August 25th, 1928.

10 THE COMMISSIONER: That letter is not in.

MR. McRUER: No, my lord.

Q. You wrote that letter? A. Yes, that
is correct.

15 THE COMMISSIONER: Better put it in with the other.

MR. McRUER: That will be part of Exhibit 656,
my lord.

THE COMMISSIONER: Yes, 656, did you say?

MR. McRUER: Yes, my lord. This is in reply
20 to ---

THE COMMISSIONER: What is the name of that firm,
Mr. McRuer?

MR. McRUER: Katakura & Company Limited, 200 Madison
25 Avenue, New York City.

THE COMMISSIONER: What date is it?

MR. McRUER: Dated August 25th, 1928.

Q. Now, Mr. Hallan, this letter is written in
reply to a letter from them of August 23rd, 1928?

30 A. I don't remember the date.

MR. HILLMAN: Read the following letter.

MR. HILLMAN: I have just received your letter of the 10th inst.

I will proceed with that, I have got it in my hand.

Will you not say a word in your letter to

MR. HILLMAN about that. You say, that if they had

got hold of the names of persons who might

have concluded that the field here was not occupied,

and that is all you say about it. Now, you would

to mention in your letter, 1900.

MR. HILLMAN: That letter is not in.

MR. HILLMAN: I have just received your letter.

MR. HILLMAN: You wrote that letter?

is correct.

MR. HILLMAN: Better put it in with the other.

MR. HILLMAN: That will be all of Exhibit 300.

My lord.

MR. HILLMAN: Yes, yes, did you say?

MR. HILLMAN: Yes, my lord. This is in reply.

to --

MR. HILLMAN: That is the name of the firm.

MR. HILLMAN: Yes.

MR. HILLMAN: Katsura & Company Limited, 200

Avenue, New York City.

MR. HILLMAN: That date is 1900.

MR. HILLMAN: Dated August 10th, 1900.

MR. HILLMAN: Now, Mr. Hillman, this letter is written

copy to a letter from the firm of August 10th, 1900.

MR. HILLMAN: I have just received your letter.

8740 Hallam

Q. It says so, here in your letter of August 25th.
Have you got the letter of August 23rd, is it here?

MR. KELLOCK: That is given to you, Mr. McRuer.

5 MR. McRUER: We might as well have the whole
correspondence.

THE COMMISSIONER: Put that one in too as part
of the same exhibit, 656.

10 MR. McRUER: No, I don't see the letter of August
23rd, Mr. Berry.

MR. BERRY: I am sorry, Mr. McRuer, here it is.

15 MR. McRUER: Then may we attach also to the
Exhibit, 656, a letter from Katakura & Company, Limited,
to the Canada Knit Goods and Woollen Mfr. Association,
dated August 23rd, 1928.

THE WITNESS: I think, my lord, he just made a
mistake.

20 THE COMMISSIONER: That means your Woollen
Association?

THE WITNESS: He should have addressed it to the
Silk Association at that time.

THE COMMISSIONER: What is the date of it?

25 MR. McRUER: August 23rd, 1928, my lord. It reads
as follows:

30 "The Canada Knit Goods & Woollen Mfr. Association,
Atlas Building, Bay Street,
Toronto, Ontario, Canada.

Gentlemen: Att: Mr. Douglas Hallam,

The undersigned paid a visit to Canada

It says so, here in your letter of August 2nd.

MR. WILCOCK: That is given to you, Mr. McNair.

MR. McNair: He might as well have the whole

correspondence.

THE COMMISSIONER: But that one in too as part

of the same exhibit, 686.

MR. McNair: No, I don't see the letter of August

2nd, Mr. Barry.

MR. BARRY: I am sorry, Mr. McNair, here it is.

MR. McNair: Then may we attach also to the

exhibit, and a letter from the Knit Goods Association,

of the Knit Goods and Woolen Mr. Association,

dated August 2nd, 1936.

THE WITNESS: I think, my lord, he just made a

mistake.

THE COMMISSIONER: That means your Woolen

THE WITNESS: He should have addressed it to the

Knit Association at that time.

THE COMMISSIONER: What is the date of it?

MR. McNair: August 2nd, 1936, my lord. It reads

as follows:

"The Canada Knit Goods & Woolen Mr. Association,

100 King Street West, Toronto,

Ontario, Canada,

August 2nd, 1936.

recently and due to shortage of time was not
able to call on you and discuss the many
subjects he had in mind.

This letter is written at the suggestion
of Mr. Smith the President of Mercury Mills
Limited, Hamilton, Ontario, and if you will
be kind enough to give us the following information
with regard to the Canadian silk industry, we
would appreciate it very much:

1. How many broad silk manufacturers are there
in Canada, how many looms, and what was the
production of silk goods for 1927?
2. How many hosiery concerns are there, how many
hosiery machines and what was the hosiery
output in Canada for 1927?
3. How many bales of raw silk from Japan,
China and Europe were imported during 1927
and how many bales consumed?
4. How much Rayon was used and mixed with
silk goods in Canada in 1927?
5. Are they using much rayon in the hosiery trade
in Canada?
6. What is your opinion with regard to the
prosperity of the Canadian silk industry?
7. What is the area of Canada which is fit to
be cultivated?

Please be assured that your replies to the
above questions will be treated confidentially.

personally and due to shortage of time was not
able to call on you and discuss the many
subjects he had in mind.

This letter is written at the suggestion
of Mr. Smith the President of Economy Mills
Limited, Montreal, and it is the

be kind enough to give us the following information
with regard to the Canadian silk industry, we

would appreciate it very much:

1. How many small silk manufacturers are there
in Canada, how many looms, and what was the

production of silk goods for 1937?

2. How many hosiery concerns are there, how many
hosiery machines and what was the hosiery

output in Canada for 1937?

3. How many sales of raw silk from Japan,
China and Europe were imported during 1937?

and how many sales consumed?

4. How much rayon was used and mixed with
silk goods in Canada in 1937?

5. Are they using much rayon in the hosiery
industry?

6. What is your opinion with regard to the
prosperity of the Canadian silk industry?

7. What is the area of Canada which is fit to
raise silkworms?

Please be assured that your replies to the
above questions will be treated confidentially.

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Hallam

If you have any publications with regard to the
silk industry of Canada, will you kindly send
them to us. Also if you could secure and
send us a "Guide Book for Silk Trade"

something similar to "Davison's Silk Trade"
which is published here in the United States,
we would greatly appreciate it, and all bills
for the above kindly mail to this office, on
receipt of which we will send you our check
to cover.

Thanking you in advance for an early reply,
we are,

Yours very truly,

KATAKURA & CO. Ltd."

By:

Bellevue

6748

If you have any publications with regard to the
silk industry of Canada, will you kindly send
them to us. Also if you could secure and
send us a "Globe Book for Silk Trade"
something similar to "Davison's Silk Trade"
which is published here in the United States,
we would greatly appreciate it, and all bills
for the same kindly mail to this office, on
receipt of which we will send you our check
to cover.

Thanking you in advance for an early reply,
we are,

Yours very truly,
WATKINS & CO. LTD.

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Then, your reply is:

"In reply to your letter of August 23rd. The writer has just become associated with the Silk Industry and is investigating the silk statistics of Canada. So far as I have gone I find them very incomplete and not up to date so I am afraid I cannot answer your questions in detail at the present time.

The Canadian Census of Industry report on the Silk Industry in Canada for the calendar year 1926 gives 12 firms as being in the silk industry. They give the total production as \$8,507,153 for that year with a capital of \$10,019,519 employed. The production of broad silks, silk piece goods, etc. is given at \$1,960,816. But these figures apparently do not represent the true situation.

(1) The figures which I am now compiling show about 42 firms interested in the silk industry, including thread, throwsters, broad silk, narrow fabrics, dyeing and finishing, lingerie, neckwear and fancy wear, gloves, and full fashioned hosiery (but not circular hosiery). Of this list there are 8 companies producing broad silks, but their production figures are not at present available.

(2) There are 16 full fashioned hosiery manufacturers in Canada and a number of circular knitters. Their machinery and production is not available at the present time, as I am working on this at present.

(3) The imports into Canada of raw silk for the

Then, your reply is:

"In reply to your letter of August 20th. The

matter has just become associated with the silk

industry and is investigating the silk statistics

of Canada. So far as I have gone I find them very

incomplete and not up to date so I am afraid I

cannot answer your questions in detail at the present

time.

The Canadian Census of Industry report on the silk

industry in Canada for the calendar year 1920 gives

is times as below in the silk industry. They give

the total production as \$8,207,123 for that year

and a value of \$1,000,000 for the same year.

Production of broad silks, silk piece goods, etc.

as follows: At \$1,000,000 value, the production of

ly do not represent the true situation.

(1) The figures which I am now compiling show

about 25 firms interested in the silk industry.

including thread, throwsters, broad silk, narrow

fabrics, dyeing and finishing, lingerie, neckwear

and fancy wear, gloves, and full fashioned hosiery

(but not circular hosiery). Of this list

there are 8 companies producing broad silks, but

their production figures are not at present available.

while.

(2) There are 12 full fashioned hosiery manu-

facturers in Canada and a number of circular knit-

their machinery and production is not available at

the present time, as I am working on this at present.

(3) The imports into Canada of raw silk for the

8743

Hallam,

"twelve months ending March 1928 are as follows:

Silk cocoons and silk waste, \$6,478. Silk, raw,

or as reeled from the cocoon, not being doubled

twisted or manufactured in any way, 938,458 pounds,

\$5,073,511."

Those you got from the government?

A. This

would be March report, Trade of Canada.

C. Trade of Canada, March report, 1928?

A. That is correct.

Q. "The total imports of silk and its products

is given for the same period as \$29,963,007."

That would be from the same source?

A. From the

same source.

Q. "(4) No statistics available as to how much

rayon was used and mixed with silk goods.

(5) No statistics of any value available at

present.

(6) Have not gone far enough in my study of the

industry to answer this question".

And the sixth question was -- "What is your opinion with

regard to the prosperity of the Canadian silk industry";

so that you had not gone far enough in your study at

that time to answer the question?

A. I had

become secretary of the Silk Association in July of that year.

Q. I want your testimony at the moment; you con-

firm what you said in this letter that you had not

gone far enough at this time to answer that question?

A. Yes, that is correct.

Holloway

8743

five months ending March 1938 are as follows:

Silk cocoons and silk waste, \$5,478. 21/2, raw,

or as received from the cocoon, not being baled

twisted or manufactured in any way, \$58,688, 6/10, 1/10

\$63,076, 11/10.

These you get from the Government?

Would be March report, Trade of Canada.

Trade of Canada, March report, 1938?

That is correct.

"The total imports of silk and silk products

is given for the same period as \$63,076, 11/10."

That would be from the same source?

Same source.

"(4) No statistics available as to how much

reign was used and mixed with silk goods.

(5) No statistics of any value available as

present.

(6) Have not gone far enough in my study of the

industry to answer this question."

And the sixth question was -- "What is your opinion with

regard to the propriety of the Canadian silk industry?"

so that you had not gone far enough in your study at

that time to answer the question?

A. I had

not gone far enough at the time to answer the question.

"I want your testimony at the moment; you can

firm what you said in this letter that you had not

gone far enough at this time to answer that question."

A. Yes, that is correct.

Q. "7. We have written to the Dominion Government to ascertain the area of Canada suitable for cultivation.

5 In regard to your last question, I would suggest you obtain the latest copy of the Vest Pocket Edition of the Official American Textile Directory for the New England States and Canada. If you have somebody go through the firms listed and pick out those in the silk industry you can compile a reasonably accurate list. This work is being
10 done in this office at the present time but is not fully complete.

I regret being unable to answer your questions in full but hope within a reasonable time to have
15 a satisfactory statistical survey of the silk industry in Canada."

Then, after replying to Katakura & Company in that way you say to Mr. Watson - "If they had got hold of the
20 census of industry report they might have concluded that the field here was not occupied?"

A. I think that was self-evident; the 1926 figures were entirely different.

Q. But you are quoting to them the 1928 figures of March?
25 A. That is the last fiscal year.

Q. For the last fiscal year, so you are quoting figures that were obtainable and saying to Watson that if they had got hold of the census of industry reports they would have concluded the field was not occupied?

30 A. That is perfectly correct; if I might just say, in this letter I point out what was in the census

I regret being unable to answer your question in full but hope within a reasonable time to have a satisfactory financial survey of the alkali industry in Canada."

[illegible]

9. For the last fiscal year, as you are discussing
the same in the last fiscal year.

This letter I point out what was in the census
 A. That in 1900, 1910, 1920, 1930, 1940, 1950, 1960, 1970, 1980, 1990, 2000, 2010, 2020, 2030, 2040, 2050, 2060, 2070, 2080, 2090, 2100, 2110, 2120, 2130, 2140, 2150, 2160, 2170, 2180, 2190, 2200, 2210, 2220, 2230, 2240, 2250, 2260, 2270, 2280, 2290, 2300, 2310, 2320, 2330, 2340, 2350, 2360, 2370, 2380, 2390, 2400, 2410, 2420, 2430, 2440, 2450, 2460, 2470, 2480, 2490, 2500, 2510, 2520, 2530, 2540, 2550, 2560, 2570, 2580, 2590, 2600, 2610, 2620, 2630, 2640, 2650, 2660, 2670, 2680, 2690, 2700, 2710, 2720, 2730, 2740, 2750, 2760, 2770, 2780, 2790, 2800, 2810, 2820, 2830, 2840, 2850, 2860, 2870, 2880, 2890, 2900, 2910, 2920, 2930, 2940, 2950, 2960, 2970, 2980, 2990, 3000, 3010, 3020, 3030, 3040, 3050, 3060, 3070, 3080, 3090, 3100, 3110, 3120, 3130, 3140, 3150, 3160, 3170, 3180, 3190, 3200, 3210, 3220, 3230, 3240, 3250, 3260, 3270, 3280, 3290, 3300, 3310, 3320, 3330, 3340, 3350, 3360, 3370, 3380, 3390, 3400, 3410, 3420, 3430, 3440, 3450, 3460, 3470, 3480, 3490, 3500, 3510, 3520, 3530, 3540, 3550, 3560, 3570, 3580, 3590, 3600, 3610, 3620, 3630, 3640, 3650, 3660, 3670, 3680, 3690, 3700, 3710, 3720, 3730, 3740, 3750, 3760, 3770, 3780, 3790, 3800, 3810, 3820, 3830, 3840, 3850, 3860, 3870, 3880, 3890, 3900, 3910, 3920, 3930, 3940, 3950, 3960, 3970, 3980, 3990, 4000, 4010, 4020, 4030, 4040, 4050, 4060, 4070, 4080, 4090, 4100, 4110, 4120, 4130, 4140, 4150, 4160, 4170, 4180, 4190, 4200, 4210, 4220, 4230, 4240, 4250, 4260, 4270, 4280, 4290, 4300, 4310, 4320, 4330, 4340, 4350, 4360, 4370, 4380, 4390, 4400, 4410, 4420, 4430, 4440, 4450, 4460, 4470, 4480, 4490, 4500, 4510, 4520, 4530, 4540, 4550, 4560, 4570, 4580, 4590, 4600, 4610, 4620, 4630, 4640, 4650, 4660, 4670, 4680, 4690, 4700, 4710, 4720, 4730, 4740, 4750, 4760, 4770, 4780, 4790, 4800, 4810, 4820, 4830, 4840, 4850, 4860, 4870, 4880, 4890, 4900, 4910, 4920, 4930, 4940, 4950, 4960, 4970, 4980, 4990, 5000, 5010, 5020, 5030, 5040, 5050, 5060, 5070, 5080, 5090, 5100, 5110, 5120, 5130, 5140, 5150, 5160, 5170, 5180, 5190, 5200, 5210, 5220, 5230, 5240, 5250, 5260, 5270, 5280, 5290, 5300, 5310, 5320, 5330, 5340, 5350, 5360, 5370, 5380, 5390, 5400, 5410, 5420, 5430, 5440, 5450, 5460, 5470, 5480, 5490, 5500, 5510, 5520, 5530, 5540, 5550, 5560, 5570, 5580, 5590, 5600, 5610, 5620, 5630, 5640, 5650, 5660, 5670, 5680, 5690, 5700, 5710, 5720, 5730, 5740, 5750, 5760, 5770, 5780, 5790, 5800, 5810, 5820, 5830, 5840, 5850, 5860, 5870, 5880, 5890, 5900, 5910, 5920, 5930, 5940, 5950, 5960, 5970, 5980, 5990, 6000, 6010, 6020, 6030, 6040, 6050, 6060, 6070, 6080, 6090, 6100, 6110, 6120, 6130, 6140, 6150, 6160, 6170, 6180, 6190, 6200, 6210, 6220, 6230, 6240, 6250, 6260, 6270, 6280, 6290, 6300, 6310, 6320, 6330, 6340, 6350, 6360, 6370, 6380, 6390, 6400, 6410, 6420, 6430, 6440, 6450, 6460, 6470, 6480, 6490, 6500, 6510, 6520, 6530, 6540, 6550, 6560, 6570, 6580, 6590, 6600, 6610, 6620, 6630, 6640, 6650, 6660, 6670, 6680, 6690, 6700, 6710, 6720, 6730, 6740, 6750, 6760, 6770, 6780, 6790, 6800, 6810, 6820, 6830, 6840, 6850, 6860, 6870, 6880, 6890, 6900, 6910, 6920, 6930, 6940, 6950, 6960, 6970, 6980, 6990, 7000, 7010, 7020, 7030, 7040, 7050, 7060, 7070, 7080, 7090, 7100, 7110, 7120, 7130, 7140, 7150, 7160, 7170, 7180, 7190, 7200, 7210, 7220, 7230, 7240, 7250, 7260, 7270, 7280, 7290, 7300, 7310, 7320, 7330, 7340, 7350, 7360, 7370, 7380, 7390, 7400, 7410, 7420, 7430, 7440, 7450, 7460, 7470, 7480, 7490, 7500, 7510, 7520, 7530, 7540, 7550, 7560, 7570, 7580, 7590, 7600, 7610, 7620, 7630, 7640, 7650, 7660, 7670, 7680, 7690, 7700, 7710, 7720, 7730, 7740, 7750, 7760, 7770, 7780, 7790, 7800, 7810, 7820, 7830, 7840, 7850, 7860, 7870, 7880, 7890, 7900, 7910, 7920, 7930, 7940, 7950, 7960, 7970, 7980, 7990, 8000, 8010, 8020, 8030, 8040, 8050, 8060, 8070, 8080, 8090, 8100, 8110, 8120, 8130, 8140, 8150, 8160, 8170, 8180, 8190, 8200, 8210, 8220, 8230, 8240, 8250, 8260, 8270, 8280, 8290, 8300, 8310, 8320, 8330, 8340, 8350, 8360, 8370, 8380, 8390, 8400, 8410, 8420, 8430, 8440, 8450, 8460, 8470, 8480, 8490, 8500, 8510, 8520, 8530, 8540, 8550, 8560, 8570, 8580, 8590, 8600, 8610, 8620, 8630, 8640, 8650, 8660, 8670, 8680, 86

of Insutry reports, I point out that didn't give a true picture of the situation.

Q. You didn't say much about that; you quote a lot of Census of Industry reports --

5 MR. KELLOCK: It says that specifically -- "these figures apparently do not represent the true situation."

MR. McRUER: He says he has not seen enough to know what the prosperity of the silk industry is in Canada.

10 MR. KELLOCK: That is another thing.

BY MR. McRUER: Q. Whatever you have said, what you had in your mind was that you are answering the letter in such a way that these people would not be induced to come here to start up a silk factory at that time?
15 A. That what figures were giver them should be reasonably correct.

Q. No, you are not talking about figures being reasonably correct; the purport of your letter to Mr. Watson was that you had couched your letter to
20 Katakura and Company in such a way that they would not be induced to come here and start up a silk factory?

A. Could I see my letter? Wait till I look at my letter again. What I say is if they had got hold
25 of the Census of Industry report they might have concluded the field here was not occupied, because there was a big change between the Census of Industry of 1926 and the facts at the date I was reporting.

Q. Why wasn't there a Cencus of Industry in 1927; you were using Trade of Canada at 1928?

30 A. Because the government figures at that time didn't

a true picture of the situation.

of the industry in Alabama --

BY MR. BRYDIE: That is another thing.

BY MR. BRYDIE: Whatever you have said, that

person was that you had counseled your father to

the Bureau of Industry report they might have

you were being made of Canada at 1957

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come out for two years afterwards.

Q. You say there was a big change; you have sworn you were not able to answer his question as to the prosperity?

5 thing.

A. That is an entirely different

Q. The prosperity of the silk industry?

A. Yes, I didn't know about the prosperity.

10 Q. If you didn't know about the prosperity how did you know the Census of Industry reports did not truly reflect the condition of the industry?

A. Because I was collecting information which I have given there. I was surveying it.

15 Q. You say you don't know enough about it to know anything about the prosperity; however, the letter speaks for itself? A. The letter speaks for itself.

20 Q. Now then, I want to just trace your activities in this regard; there is another letter of June 4th, 1932 -- oh, I probably better put in another letter on this subject matter -- oh, that is in, a copy of that. Then, I show you a copy of a letter from yourself to the Silk Journal of America? A. Yes.

THE COMMISSIONER: Is that a new letter?

25 MR. McRUER: Yes, my lord.

THE WITNESS: Yes, that is my file copy.

MR. McRUER: Dated June 4, 1932.

THE COMMISSIONER: Now, just a minute, this is a letter from the witness to whom?

30 MR. McRUER: The Silk Journal of America, my lord.

THE COMMISSIONER: That will be exhibit 657.

MR. McRUER: It reads as follows:

some one for two years after the.

Q. You say there was a big change; you have shown

you were not able to answer his question as to the

A. That is an entirely different

property

thing.

Q. The property of the silk industry?

A. Yes, I didn't know about the property.

Q. If you didn't know about the property how

did you know the names of industry reports did not

show industry reports in the industry

A. Because I was collecting information which I have

given them. I was supplying it.

Q. You say you don't know enough about it to

know anything about the property; however, the letter

appears for itself. A. The letter speaks for itself.

Q. Now then, I want to put these your activities

in this regard; there is another letter of June 4th,

1938 -- oh, I probably better put in another letter

on this subject matter -- oh, that is in a copy of the

Then, I show you a copy of a letter from yourself to

the Silk Journal of America? A. Yes.

Q. That is a letter; is that a new letter?

A. Yes, that is a new letter.

Q. Yes, that is my life copy.

A. Yes, dated June 4, 1938.

Q. Now, that is a letter, that is a letter, that is a

letter from the witness to you?

A. Yes, The Silk Journal of America, my copy.

Q. That will be exhibit 60.

A. Yes, that is my copy.

9747

Hallam,

"Attached is a copy of a clipping from the Financial Times, Montreal. Possibly you would be interested in re-printing and commenting on it. Yours faithfully, secretary".

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EXHIBIT NO. 657: Letter dated June 4, 1932 from Hallam to Silk Journal of America with attached copy of clipping from Financial Times, Montreal.

Q. Now, the Silk Journal of America was what sort of publication? A. I think it is a monthly.

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BY THE COMMISSIONER: Q. Where is it published?

A. Is the address there?

MR. McRUER: In New York City, at 303 Fourth Ave., published in New York City. A. I think that is a monthly, my lord.

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Q. Now, this article that you sent down to them with the suggestion that they re-print it and comment on it was an article that had appeared in the Financial Times in Montreal? A. That is correct.

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Q. And had the facts for that article emanated from your office? A. Not to my knowledge.

Q. You say not to your knowledge?

A. I have no recollection of it.

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Q. One of the purposes of your association is publicity? A. That is correct.

Q. Now, this article is headed "More Fashions in Fakes".

THE COMMISSIONER: More Fashions in what?

MR. McRUER: More Fashions In Fakes.

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THE COMMISSIONER: Fakes?

MR. McRUER: Fakes.

Walter

1917

"Attached in a copy of a clipping from the Times
Times, Montreal. Possibly you would be interested
in re-printing and commenting on it. Yours truly

Walter

Letter dated June 4, 1917
Walter to Miss Brown at
Montreal with attached copy of
clipping from Montreal
Times.

1. Now, the title Journal of Montreal was what you

of publication?

A. I think it is a monthly.

BY THE ORIGINAL NAME. Where is it published?

A. Is the address there?

Mr. McNamee: In New York City, at 375 West 11th Ave.

published in New York City.

A. I think that

is a monthly, my friend.

Now, this article that you sent over to them

with the Montreal Times and Montreal Star

on it was an article that had appeared in the

Times in Montreal?

A. That is correct.

4. And had the facts for that article obtained

A. Not to my knowledge.

5. You say not to your knowledge?

A. I have no recollection of it.

6. One of the purposes of your association is

A. That is correct.

7. Now, this article is headed "More Deaths in

Wales".

THE 3rd DEATH: More Deaths in Wales

THE 4th DEATH: More Deaths in Wales

THE 5th DEATH: More Deaths in Wales

THE 6th DEATH: More Deaths in Wales

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8748

Hallam,

"There are few in the business and financial world who adapt themselves more quickly to changing conditions than the fake promoters and stock racketeers. The latest game reported to the Financial Times by the Better Business Bureau has to do with the establishment of new industries. Several of the larger towns in Quebec have already been approached with proposals to establish silk mills. Such proposals should be examined very closely. The racket is a clever one.

The facts being capitalized include the following:-

(1) The silk industry in Canada (until recently at least) has continued very prosperous. (2) There is a desire on the part of towns without silk mills to share in the development of the industry. (3) There is the unemployment which increases the appeal from the standpoint of aiding local prosperity. (4) It can be pointed out that American industries are establishing in Canada because of tariff increases.

But the silk industry in the New England States has gone to pieces very badly and that is the crux of the proposal which, as laid before one of the municipalities is as follows:-

We will establish within the Municipality of the Town ofa mill for the weaving of Pure Silk and operate the same, the equipment to consist of sixty looms with all the necessary bobbins, Winders, Quillers, Extractors and all the necessary equipment the parts for the completion of the plant with a capacity of 10,000 to 12,000 yards per week.

"There are few in the business and financial world who adapt themselves more quickly to changing conditions than the lake promoters and stock speculators. The latter have been quick to see the possibilities of the better business and have to do with the establishment of new industries. Several of the latter towns in Quebec have already been approached with proposals to establish silk mills. Such proposals should be examined very closely. The market is a slower one.

The facts being outlined include the following:

(1) The silk industry in Canada (until recently at least) has remained very prosperous. (2) There is a decline on the part of towns without silk mills to share in the development of the industry. (3) There is the unemployment which increases the appeal from the standpoint of aiding local prosperity. (4) It can be pointed out that American industries are establishing in Canada because of tariff incentives.

But the silk industry in the New England States has gone to places very badly and that is the only the general white, as laid before one of the municipalities is as follows:-

We will establish within the municipality of the town of a mill for the rearing of pure silk and operate the same, the equipment to a value of sixty looms with all the necessary apparatus, including (silkworms) and all the necessary machinery.

The price for the operation of the plant with a quantity of 10,000 to 15,000 yards per week.

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" The appraisal value of the plant is \$55,000 and the estimated cost of Customs and Freight charges is \$12,000.

5 We would organize a Company under the laws of the Province of Quebec with an authorized capital of \$100,000 preference stock and 100,000 of no par value.

10 Of the stock issue we would take for the plant 55,000 of the Common Stock and for the Customs and Freight charges the cost in Preference stock.

We would ask the local people to subscribe for the purposes of Working Capital only the sum of \$30,000 of the Preference Stock, being 7 per cent.

15 Owing to conditions in the silk industry in the United States - where, it is said, looms are selling for approximately the price of junk - the plant referred to would have merely a nominal value even though it might be appraised at \$55,000. The amount of duty is, therefore, also questionable. It
20 would appear that practically all of the cash involved would be put up locally to the extent of \$30,000 while the promoters would take preferred stock for the customs and freight charges, and would retain control of the whole proposition through
25 55,000 shares of common stock taken in exchange for the plant.

30 The silk industry in Canada has had a very important expansion during the past couple of years. The Financial Times understands, however, that it is now facing a condition of over-production, and it

The approximate value of the plant is \$25,000 and the estimated cost of overhead and freight charges is \$12,000.

We would organize a company under the laws of the Province of Quebec with an authorized capital of \$100,000 preference stock and 100,000 of no par value.

Of the stock issue we would take for the plant \$25,000 of the Common Stock and for the overhead and freight charges the cost in preference stock.

To would ask the local people to subscribe for the purpose of raising capital only the sum of \$20,000 of the preference stock, being 7 per cent.

Under the plan in the Bill submitted to the House of Commons - (Bill No. 10) there are certain

for approximately the price of \$200,000 - the plant referred to would have merely a nominal value even though it might be appraised at \$25,000.

The amount of duty is, therefore, also considerable. It would appear that practically all of the cash involved would be put up locally to the extent of \$20,000 while the promoters would take preference stock for the overhead and freight charges, and

would retain control of the whole proposition through the plant.

The silk industry in Canada has had a very

the financial loss in the industry, however, they are looking a solution of water-transportation, and

"is doubtful if there is room for additional mills at the present time even under the best auspices. Municipalities approached in connection with projects like that outlined should, therefore, examine the credentials of the promoters and the details of their proposals very closely before parting with any real money."

What was your object in sending a copy of this article down to the Silk Journal of America with the suggestion that they should publish it and comment on it?

A. I think it was a very proper article to send down.

Q. No, no, no, I asked you what your object was in sending it down?

A. Because the reports I was getting at that time were that these people were going around trying to sell junk mills to small towns.

Q. Well, supposing they were; of what interest was that to the manufacturers in the United States?

A. I should think it would have been of interest to them.

Q. This was published as a sort of warning, apparently, to the people in Canada and it ends up with a warning to the people of the municipalities in Quebec to check these things over and examine the credentials, but you were sending it to a journal in the United States that had a circulation in the manufacturing trade down there?

A. That is quite correct.

Q. Now, I want to find out from you what interest, what possibly interest the manufacturers of the United States could have in it, if it was not to be taken as sort of propaganda to keep them from coming over here?

"It is doubtful if there is room for additional mills
at the present time even under the best auspices.
Municipalities approached in connection with projects
like that outlined should, therefore, examine the
credentials of the promoters and the details of their
proposals very carefully before giving them any aid
money."

That was your object in sending a copy of this article
down to the Mill Journal? I am sure with the suggestion
that you were making to the Journal to send down.
A. I think it was a very proper article to send down.
No, no, no, I asked you what your object was
in sending it down? A. Because the reports

I was getting at that time were that these people
were going around trying to sell junk mills to small
towns.

A. Well, supposing they were; of what interest
was that to the manufacturers in the United States?
A. I should think it would have been of interest to them.
This was published as a sort of warning, wasn't it?

entirely to the people in Canada and it came up with a
warning to the people of the municipalities in Canada
to check these things over and examine the credentials,
but you were sending it to a journal in the United
States that had a circulation in the manufacturing
trade down there? A. That is quite correct.

What possible interest the manufacturers of the United
States could have in it, if it was not to be taken as
a warning to keep them from coming over here?

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A. I think it was quite proper to advise them of the situation.

Q. Yes, but the purpose you had in advising them of the situation was to create certain propaganda to keep them from coming over here? A. I think that most of the people who were coming up here were people from the United States with mills that were shut down.

Q. Well, supposing they were? A. They were making proposals to bring this machinery into Canada, nearly all very old machinery.

Q. Yes, and what of that? Why were you wanting to stop them from doing that? A. Because I did not think that was right.

Q. Why wasn't it right? A. Because I didn't think there was enough room in Canada for those extra looms.

Q. Now, we are getting at it; you were trying to keep the American manufacturers from coming up here and starting new looms? A. You couldn't do that.

Q. You were trying to? A. That is an impossibility.

Q. It may be an impossibility -- A. But I did think it was advisable to warn certain people in the United States who were coming up here to float companies on the basis of junk machinery that the thing was being watched.

Q. Being watched by whom? A. By the people of Quebec.

Q. Now, that is an entirely different reason than you gave me a moment ago; the reason you gave me a

Q. I think it was quite proper to advise them of the situation.

A. Yes, but the purpose you had in advising them of the situation was to create certain propaganda to keep them from coming over here? A. I think that

most of the people who were coming up here were people from the United States with mills that were shut down. A. Well, supposing they were?

Q. Well, supposing they were? A. They were making proposals to bring this machinery into Canada, nearly all very old machinery.

A. Yes, and what of that? Q. Were you wanting to stop them from doing that? A. Because I did not think that was right.

A. Why wasn't it right? Q. Because I didn't think there was enough iron in Canada for those extra looms.

A. Now, we are getting at it: you were trying to keep the American manufacturers from coming up here and starting new looms? A. You couldn't do that.

A. That is an important Q. You were trying to A. I think it was impossible to warn certain people in the United States who were coming up here to those companies on the basis of junk machinery that the thing was being watched.

A. It may be an impossibility -- A. But I did think it was advisable to warn certain people in the United States who were coming up here to those companies on the basis of junk machinery that the thing was being watched.

A. Being watched by whom? A. By the people

A. That is an entirely different reason than

moment ago was because you thought that there enough
looms? A. In addition I did think there were
enough looms.

Q. That was the reason you gave for sending this
down; that is what you told me a moment ago, you
thought there were enough looms here now at the time?

A. That is a fact, I did think there were enough looms.
I don't think I gave it as a reason for sending that
down.

Q. Yes, I was asking why you were sending it down
and if it was not propaganda to keep them from coming
up here; you may have been perfectly justified in what
you were doing. I am not quarreling with that, it
is the facts -- A. I understand, I am

trying to get at the facts.

Q. Was it not a fact that you were sending that
down as a matter of propaganda to deter the Americans
from coming into this market to manufacture here?

A. Not that; that was really -- I did think at that time,
and I think it was correct, that there was ~~xxxx~~ too
much machinery here.

Q. You thought there was too much machinery here
at the time? A. What I sent that down for,

I thought that these people who were coming up here and
going through the small towns, from the States, should
have a warning that the thing was being watched.

Q. You thought that; you were anxious for fear
they would come up here and lose some money; is that
what you wish to tell me? A. No, they were damaging
to the industry.

8752

William,

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moment ago was because you thought that there enough
... In addition I am sure that
... That was the reason you gave for sending this
down; that is what you told me a moment ago, you
thought there were enough loose here now at the time?
... I don't think I gave it as a reason for sending that
down.
... Yes, I was asking why you were sending it down
and it is not propaganda to keep them from coming
up here; you may have been partially justified in what
you were saying. I am not quarreling with that, it
is the facts --
... I understand, I am
trying to get at the facts.
... See it not a fact that you were sending that
down as a matter of propaganda to deter the Americans
from coming into this market to manufacture honey?
A. Not that; that was really -- I did enter at that time,
and I think it is correct, that there was even too
much machinery here.
... For the fact there was too much machinery here
... I thought that these people who were coming up here
going through the small towns, from the States, should
have a warning that the thing was being watched.
... I am sure of that and I am sure of that
they are coming up here and I am sure of that
... I am sure of that and I am sure of that

Q. I want to get it one way or another; I understood your former position was you were protecting the Americans against themselves? A. No.

Q. Your idea was you wanted to keep them out for fear they would harm the industry here? A. I think that the bringing in --

Q. Which is it? A. I have tried to answer.

Q. Well, I want to get down to it, what your purpose was; you must have had a purpose in going to the trouble to send that down there. Now, was it to protect the Americans against themselves? A. No.

Q. Then, it was to protect the Canadian industry against mills coming here? A. And I think also the people of Canada.

Q. I want your answer to that question; you agree with me you had in mind protecting Canadian industry against American firms coming here and starting up? A. On that type of thing.

Q. Alright, whether it was this type of thing or not.

BY THE COMMISSIONER: Q. I don't understand that. If they come in here and manufacture and compete with the Canadian industry what has the type of machinery got to do with it; what difference would that make? They would either come in here and prove a failure and leave these municipalities out of pocket or they were going to be a success? A. One or the other.

Q. In the first case they would not do much

Q. I want to get it one way or another; I

A. No. the Americans against themselves?

Q. Your idea was you wanted to keep them out for

A. I fear they would harm the industry here?

think that the bringing in --

Q. Which is it? A. I have tried to

answer.

Q. Well, I want to get down to it, what your

purpose was; you must have had a purpose in going to

the trouble to read that down there. Now, was it to

protect the Canadian industry?

Q. Then, it was to protect the Canadian industry

against unfair competition here?

A. And I think also the people of Canada.

Q. I want your answer to that question; you agree

with me you had in mind protecting Canadian industry

against American firms coming here and setting up?

A. On that type of thing.

Q. Alright, whether it was this type of thing or

not.

BY THE COMMISSIONER: Q. I don't understand what

it they come in here and manufacturers and compete

with the Canadian industry what was the type of

machinery got to do with it; what difference would

that make? They would either come in here and prove

a failure and I am sure would get out of pocket

or they were going to be a success?

the other.

Q. In the first case they would not be worth

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harm to the home industry and in the second case they would?

A. A mill that would operate at a loss, sir, the sort of a mill that is merely a flotation does do harm to the industry.

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Q. How could they operate at a loss; it would not have any capital except what had been given it to begin with?

A. Exactly, and when that is exhausted they are left there. In the meantime they do damage to the industry.

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BY MR. McQuer: Q. Yes, but that is not the purport of the article, that they were going to come up here and crash; I think you were all afraid -- I think what you were afraid of was that they would come up here and succeed, because the plant would cost them practically nothing; they would put a plant up very very cheap, and would come up here and get an inducement from the local people. The local people in the towns in Quebec would subscribe freely, and they were required to put up no money --

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MR. KELLOCK: The article says there was over-production here then.

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BY THE COMMISSIONER: Q. The purpose of sending down the article was to advise -- was as a warning to the Americans that the field was already occupied, or a warning to these Canadian municipalities to beware of these people coming up here and getting them to put up money?

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A. Yes.

Q. I know, but that is the article you sent down?

Q. Asking to have it published there?

A. Yes.

8754

William,

harm to the home industry and in the second case they
A. A mill that would operate at a
loss, also, the same is a mill that would be a
loss to the industry.

Q. How could they operate at a loss; it would not
have any capital except what had been given it to begin
with? A. Exactly, and when that is exhausted
they are left there. In the meantime they do damage
to the industry.

BY MR. MOORE: A. Yes, but that is not the purpose
of the article, that they were going to come up here
and crash; I think you were all afraid -- I think what
you were afraid of was that they would come up here
and succeed, because the plant would cost them practically
nothing; they would put a plant up very cheap,
and would come up here and get an investment from the
local people. The local people in the towns in
Quebec would subscribe freely, and they were wanting
to put up no money --

MR. KILLOCK: The article says there was over-produc-
tion here then.
BY THE CHAIRMAN: The purpose of sending
over the article was to advise -- was as a warning to
the Americans that the field was already occupied, or
a warning to these Canadian municipalities to beware
of these people coming up here and setting them to
work.

A. That was not my article, was it?
Q. I know, but that is the article you sent down?
A. Yes.
Q. Trying to have it published there?

Q. That is the information you wanted to convey?

A. Yes.

Q. If you had said that half an hour ago you would have saved that time? A. I am sorry, my lord.

5 Q. I don't want to be here another week with these arguments coming from you. Answer the questions yes or no according to what they mean and as I have already told you Mr. Kellock will do the arguing later on from the facts. A. Alright, my lord.

10 BY MR. McRUER: Q. Then, I have another letter dated June 2, 1933 from yourself to Mr. Watson --

THE COMMISSIONER: What is this?

MR. McRUER: A letter from Mr. Hallam to Mr. Watson dated June 2, 1933.

15 THE COMMISSIONER: That is exhibit 658.

EXHIBIT NO. 658: Letter dated June 2nd, 1933 from Mr. Hallam to Mr. Watson.

BY MR. McRUER: Q. Your letter to Mr. Watson reads as follows: "The material Mr. Bates of the Canadian

20 Textile Journal desires is required for the Jubilee issue being got out at the end of June.

Attached is a copy of the letter Mr. Cowling sent him.

25 There are some things in your letter which I think are not advisable to put on record, and I am attaching my suggestion, which if satisfactory to you, could be mailed on."

30 And the letter from Mr. Cowling to the editor of the Textile Journal is attached, or a copy, my lord, dated May 15, 1933.

Q. That is the information you wanted to convey?

A. Yes.

Q. If you had said that half an hour ago you would

have saved that time? A. I am sorry, my lord.

A. I don't want to be here another week with

these arguments coming from you. Answer the

questions yes or no according to what they mean and do

I have already told you Mr. Justice will do the arguing

later on from the facts. A. Alright, my lord.

BY MR. JUSTICE: Then, I have another letter dated

June 2, 1933 from yourself to Mr. Bateson --

THE COMMISSIONER: What is that?

MR. JUSTICE: A letter from Mr. Justice to Mr.

Justice dated June 2, 1933.

THE COMMISSIONER: That is exhibit 888.

MR. JUSTICE: Yes, my lord. That is exhibit 888.

THE COMMISSIONER: Yes, my lord. That is exhibit 888.

MR. JUSTICE: Yes, my lord. That is exhibit 888.

as follows: "The material Mr. Bates of the Canadian

Textile Journal desires is required for the

Justice issue being got out at the end of June.

Attached is a copy of the letter Mr. Justice

sent him.

There are some things in your letter which

I think are not advisable to put on record, and

I am attaching my suggestion, which if satis-

factory to you, could be mailed on."

And the letter from Mr. Justice to the editor of the

Textile Journal is attached, or a copy, my lord, dated

May 19, 1933.

THE COMMISSIONER: A letter from Mr. Cowling?

MR. McRUER: Mr. Cowling, to the Textile Journal.

THE COMMISSIONER: What is the date of it?

MR. McRUER: May 15th, 1933.

5 THE COMMISSIONER: Where is the Textile Journal published?

MR. McRUER: Montreal, my lord, The Canadian Textile Journal.

THE COMMISSIONER: This is part of the same exhibit?

10 MR. McRUER: Yes, my lord.

"Production of silk fabrics in Canada to fully supply the requirements of the home market as to variety of range, quality and price, is an accomplished fact. The skill and intelligence of Canadian textile workers has been demonstrated. The industry has proved its value to Canada by providing ever in-

15 creasing employment through a period when such employment was a vital necessity. It is unfortunate that the demand in Canada is not at present equal to the productive capacity of the machinery in-

20 stalled, but as Canada gets back into its stride and population increases, I believe that this difficulty will automatically be taken care of.

25 I desire to extend my best wishes to the Canadian Textile Journal on its fiftieth year of service to the Textile Industry in Canada."

Now, have you got the letter from Mr. Watson that had the things in it that ought not to be put on record.

30 Have you got that?

MR. BERRY: We have got the letter but we have not

THE COMMISSIONER: A letter from Mr. Cowling?

MR. COWLING: Yes, Mr. Commissioner, to the Textile Journal.

THE COMMISSIONER: What is the date of it?

MR. COWLING: May 10th, 1918.

THE COMMISSIONER: Where is the Textile Journal?

Published by

THE COMMISSIONER: This is part of the same exhibit?

MR. COWLING: Yes, Mr. Commissioner.

"Production of silk in Canada is Canada's truly unique

the record-makers of the home market as to variety of

range, quality and price, is an accomplished fact.

The skill and intelligence of Canadian textile

workers has been demonstrated. The industry has

proved its value to Canada by providing ever in-

creasing employment through a period when such em-

ployment was a vital necessity. It is unfortunate

that the demand in Canada is not at present equal

to the productive capacity of the machinery in-

stalled, but as Canada gets back into its stride

and population increases, I believe that this

difficulty will automatically be taken care of.

I desire to extend my best wishes to the

Canadian Textile Journal on its fifteenth year of

service to the Textile Industry in Canada."

Now, have you got the letter from Mr. Watson that had

the thing in it that ought not to be put on record.

Yes, Mr. Commissioner.

THE COMMISSIONER: Now, Mr. Commissioner, what is the date of it?

got the attachment.

BY MR. McRuer: Q. Now, I have a letter from Mr. Watson dated the 26th of May, 1933 which will be attached to the same exhibit.

5 THE COMMISSIONER: To whom?

MR. McRuer: To Mr. Hallam, my lord.

THE WITNESS: It is from his secretary, I imagine.

MR. McRuer: Yes.

MR. KELLOCK: May 22nd?

10 MR. McRuer: May 26, 1933. "We are enclosing

"therewith, letter and article to Mr. Bates. Mr.

Watson wishes you to read this over and if you desire

to make any changes it will be in order for you to

do so. If it is O.K. as it stands or if it needs

15 changing kindly fix it up and forward on to Mr.

Bates, letting Mr. Watson have a copy of it as for-

warded to Mr. Bates."

Now, your acknowledgement of that is -- "Attached is a

copy of the letter Mr. Cowling sent him. There

20 are some things in your letter which I think are not

advisable to put on record, and I am attaching my

suggestion, which if satisfactory to you, could be

mailed on."

25 Now, I don't see anything in this letter that seems to

be objectionable? A. No, there was evidently

a draft attached to that. I should think he would

send a draft on and I would send it down. I don't

see anything objectionable.

30 Q. It is evidently something you did not want

put on record; I wonder have you got it? A. I haven't

Got the attachment.

BY Mr. McNamee: Q. Now, I have a letter from Mr. Watson dated the 25th of May, 1935 which will be attached to the same exhibit.

THE EXHIBIT: To whom?

Mr. McNamee: To Mr. Walter, my friend.

THE WITNESS: It is from his secretary, I imagine.

THE WITNESS: Yes.

THE WITNESS: Yes.

Mr. McNamee: May be, 1935. "We are enclosing

"herewith, letter and article to Mr. Bates. Mr.

Watson wishes you to read this over and if you desire

to make any changes it will be in order for you to

do so. If it is O.K. as it stands or if it needs

changing kindly fix it up and forward on to Mr.

Bates, letting Mr. Watson have a copy of it as it

related to Mr. Bates."

Now, your acknowledgement of that is -- "Attached is a

copy of the letter Mr. Cowling sent him. There

are some things in your letter which I think are not

advisable to put on record, and I am attaching my

suggestion, which is satisfactory to you, could be

attached to it."

Q. Now, you are saying in your letter that you

be objectionable? A. No, there was evidently

a draft attached to that. I should think he would

send a draft on and I would send it down. I don't

see anything objectionable.

Q. It is evidently something you did not want

put on record; I wonder have you got it? A. I haven't

got it and I have no memory of it.

Q. No memory of it at all? A. No, I don't know what it would be; I cannot tell you what it was.

Q. Well, maybe Mr. Watson will have a copy of his objectionable letter. A. I don't think it was objectionable. It was a thing they were getting us to write for the 50th jubilee of the Textile Journal.

Q. Well, however, I see your effort -- A. You might read it to show the type of thing it is. They asked us to give them something for the jubilee issue. I don't remember the circumstances, but shouldn't that go in?

Q. "We are looking forward with high hopes to the future, when we can further increase employment and with better times in Canada bring idle machinery into production."

Since 1930 the Silk Industry has reason to be proud of the service they rendered to Canada in maintaining and increasing employment, and in the quality of goods produced.

Our firm in St. Catharines having been one of the first to manufacture in Canada in the early days of the Industry it is often with satisfaction we think of the early years when we were striving to prove to a skeptical buying trade that Canadian labour could manufacture a product equal to the handicraft of people who for generations have done this work and to-day when it is an accomplished fact recognized by those same skeptical buyers we have a sense of accomplishment that overwhelms

Got it and I have no memory of it.

Q. No memory of it at all?

A. No, I don't know what it would be; I cannot tell you what it was.

Q. Well, maybe Mr. Watson will have a copy of his

objectionable letter. A. I don't think it was

objectionable. It was a thing they were getting at

to write for the 50th jubilee of the Textile Journal.

Q. Well, however, I see your effort --

A. You might read it to show the type of thing it is.

They asked us to give them something for the jubilee

issue. I don't remember the circumstances, but when it

that is the

Q. "We are looking forward with high hopes to the

future, when we can further increase employment and

with better times in Canada bring idle machinery

into production.

Since 1930 the Silk Industry has reason to be

proud of the service they rendered to Canada in

maintaining and increasing employment, and in the

quality of goods produced.

Our firm in St. Catharines having been one of

the first to manufacture in Canada in the early

days of the industry it is often with satisfaction

we think of the early years when we were striving

to prove to a skeptical buying trade that Canadian

labour could manufacture a product equal to the

handiwork of people who for generations have

this work and to-day when it is so accomplished

that we are proud to have our goods

be a part of the Canadian industry.

8759

Hallam,

"our fears and misgivings and gives us courage to look to the future knowing that better times are on the way for Canada and the world in general.

If it had not been for the tariff adjustments in 1930 there would have been no silk industry in Canada to-day, and we would not be prepared to go forward with, and increase, the good times which are coming to our country. The accomplishments of the past ten years will be small to what will be accomplished in the near future."

Well, you apparently revised the letter?

A. What I revised would be the draft so I apparently revised it.

Q. Took out the objectionable material?

A. I don't know where it is objectionable. I don't know what it was; I cannot tell you.

Q. Then, I have a letter from you to Mr. Marx dated the 19th of February, 1935.

THE COMMISSIONER: This is a different subject?

MR. McRUER: This is the same subject, but a different letter, my lord.

THE COMMISSIONER: A different exhibit?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: It will be 659.

EXHIBIT NO. 659: Letter dated February 19, 1935, from Mr. Hallam to Mr. Marx.

THE COMMISSIONER: A letter from the witness to Mr. Marx; is that right?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: What date did you say?

"our fears and misgivings and gives us courage to look to the future knowing that better times are the way for Canada and the world in general."

It it had not been for the tariff adjustments in 1930 there would have been no silk industry in Canada today, and we would not be prepared to go forward with, and increase, the good times which coming to our country. The economic conditions of the past ten years will be small to what will be accomplished in the next future."

Well, you apparently revised the letter? A. What I revised would be the draft so I apparently revised it.

.. Look out the objectionable material? A. I don't know where it is objectionable. I don't know what it was; I cannot tell you.

.. Then, I have a letter from you to Mr. Mack dated the 12th of February, 1935.

THE COMMISSIONER: This is a different subject? MR. MCKENZIE: This is the same subject, but a

different letter, my lord. MR. MCKENZIE: Yes, my lord.

THE COMMISSIONER: It will be 600. EXHIBIT NO. 600: Letter dated February 12, 1935, from Mr. Hollan to Mr. Mack.

THE COMMISSIONER: Is that right? MR. MCKENZIE: Yes, my lord.

THE COMMISSIONER: What date did you say?

MR. McRUER: The 19th of February, 1935.

"Attached is a news release I propose to send out to United States trade papers if you agree. Such items, as you are aware, are hard to write without making them appear to be propaganda. You might wire me if it is O.K. I will have to justify it by writing a letter to the mills along the lines indicated."

Now, this was apparently propaganda? A. I was asked to send some material down to the States.

Q. Were you asked to send a news release?

A. Fairchild's Publications, they asked me from time to time to send material to them in the States.

Q. Were you asked to send this? A. I cannot tell you at that particular time or not.

Q. Or were you sending it as a matter of propaganda?

A. I cannot answer that at that time.

Q. At any rate, it was propaganda --

THE COMMISSIONER: What does the letter say?

MR. McRUER: It says: "Such items, as you are aware, are hard to write without making them appear to be propaganda"? A. That is quite true.

Q. You wanted it to have the effect of propaganda but not to appear to be propaganda; I am not criticizing it.

A. No, I understand. It is very difficult when you are asked for items to turn them out without the appearance of propaganda. If you mean is that statement inaccurate or unfair, it is not. I mean it is a statement of fact.

Q. But the point is, were you being asked for it or

MEMORANDUM: The 15th of February, 1955.

"Attached is a news release I propose to send to United States news papers if you agree. It is, as you are aware, one hard to write with making them appear to be propaganda. You might wire me if it is O.K. I will have to justify it by writing a letter to the editor along the line indicated."

Q. Now, this was apparently propaganda?

A. I see. It was asked to send some material down to the States.

Q. Were you asked to send a news release?

A. Fairchild's publication, they asked me from time

to time to send material to them in the States.

Q. Were you asked to send that?

A. I cannot

tell you at that particular time or not.

Q. Or were you sending it as a matter of propaganda?

A. I cannot answer that at that time.

Q. At any rate, it was propaganda --

THE CHAIRMAN: What does the latter say?

MEMORANDUM: It says: "Such items, as you are aware,

are hard to write without making them appear to be

propaganda?"

A. That is quite true.

Q. You wanted it to have the effect of propaganda

but not to appear to be propaganda; I am not criticizing

it. A. No, I understand. It is very difficult

when you are asked for items to turn them out without

the appearance of propaganda. If you mean is that

statement inaccurate or unfair, it is not.

a statement of fact.

MEMORANDUM: The 15th of February, 1955.

were you sending it out? A. I cannot tell you that at this stage. I am asked from time to time to supply material and I don't know whether I was asked this time or not.

5 Q. You call it a news release, you don't call it an article prepared by you at the request of somebody, you call it a news release? A. Yes, that is correct.

Q. Now, the draft attached to it is as follows --

10 THE COMMISSIONER: Is this the news release?

Mr. McRUER: Yes, my lord. "Warnings of excess production, based on studies of monthly production to deliveries, and stocks on hand, have been issued by the Silk Association of Canada to the
15 broad silk mills in Canada producing fabrics from silk and rayon. The Association offices advised the Canadian mills that while in the year 1933 the production fell slightly short of the deliveries in that year in 1934, the production was greater
20 than deliveries, and that the stocks on hand in January were substantially in excess of previous years, while advance information concerning February 1935 indicated a substantial drop in deliveries over previous years. The warning in
25 part says: 'Great care must be exercised in production because there is machine capacity in excess of requirements. The Canadian mills have absorbed all the business which was formerly
30 held by foreign mills that they can reasonably expect and consequently this source of expansion

that at this stage. I am asked from time to time
to supply material and I don't know whether I was asked
this time or not.

Q. You call it a news release, you don't call
it an article prepared by you at the request of some-
body, you call it a news release. A. Yes, that
is correct.

Q. Now, the draft attached to it is as follows:
THE CANADIAN MILLS: To this the news release
Mr. HOBBS: Yes, my lord. "Warnings of excess
production, based on studies of monthly production
to deliveries, and stocks on hand, have been
issued by the Silk Association of Canada to the
brood silk mills in Canada producing fabrics from
silk and rayon. The Association officers advised

the Canadian mills that while in the year 1933 the
production fell slightly short of the deliveries
in that year in 1934, the production was greater
than deliveries, and that the stocks on hand in
January were substantially in excess of previous
years. This situation is a serious one.
February 1935 indicated a substantial drop in

part says: "Great care must be exercised in
production because there is machine capacity
in excess of requirements. The Canadian mills
held by foreign mills that they can reasonably

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"has come to an end. The 1933 and 1934 figures indicate clearly that the market for production of Canadian mills has become static and that no expansion can take place unless conditions in Canada improve to such an extent that the consumer market improves. An improvement of as much as 20 to 25% in the consumer market, and which is not expected, could be taken care of by machinery already installed".

10

Now, had this warning been sent out by the Silk Association to its members? A. We had made a warning to them but not in that exact wording, not at that time, not at the time I wrote the letter to Mr. Marx.

15

Q. Well, were you sending the warning out contemporaneously with sending this item down? A. Yes, it went out at the same time.

you

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Q. What/were doing is this, you were sending the warning out to the mills and you were also at the same time before you sent it out getting Mr. Marx' approval of the type of warning that should go out? A. That is correct.

25

Q. And contemporaneously with sending the warning out to the mills you wrote to some of these American journals enclosing this draft? A. I probably sent that warning out the date I wrote to Mr. Marx.

30

BY THE COMMISSIONER: Q. Now, have we a copy of the warning sent to the mills? A. I don't think so. It was made back - we made the warning back as far as the annual meeting of 1934, just almost identically.

Q. That is a different thing; you see you tell us that there is a letter to Mr. Marx of February 19, 1935

"...the 1933 and 1934 figures
indicate clearly that the market for production of
Canadian milk has become static and that no expansion
can take place unless conditions in Canada improve
to such an extent that the consumer market improves
an improvement of as much as 20 to 25% in the con-
sumer market, and which is not expected, could be
...
...had this warning been sent out by the Milk
Association in its capacity. A. We had made a warning
to them but not in that exact wording, not at that time
not at the time I wrote the letter to Mr. Mark.
Q. Well, were you sending the warning out contempor-
aneously with sending out the letter to Mr. Mark, it
went out at the same time.
...
the warning out to the Milk Association and you were also at the
same time before you sent it out saying Mr. Mark,
...
Q. That is correct.
Q. And contemporaneously with sending the warning
out to the Milk Association to some of these American
journals enclosing this draft. A. I probably sent
that warning out the date I wrote to Mr. Mark.
BY THE CHAIRMAN: Q. Now, have we a copy of
the warning sent to the Milk Association? A. I don't think
...
...on the annual meeting of 1934, just about identical.
Q. That is a different thing; you see you tell us
that there is a letter to Mr. Mark of February 19, 1930

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which purports to deal with the release of a piece of news? A. Yes.

Q. That piece of news is that a warning is being sent out or has been sent out to the Canadian mills?

5 A. Yes.

Q. All I ask you is to give us a copy of the warning if you have it? A. I will search for it.

I don't know whether we have it or not.

10 BY MR. McRUER: Q. That is what you say, "warnings of excess production have been issued"? A. Yes.

Q. So at this time it was an accomplished fact?

A. Yes.

15 BY THE COMMISSIONER: Q. That should be an important document on your files? A. Well, I would not regard it as so very important, my lord.

Q. I would; it affects the whole industry and tells them there is over-production and to go more slowly? A. We had already done that by word of mouth and by reports all the way through, my lord, and we have a formal warning to them on our minutes.

20 BY MR. McRUER: Q. And your object was to keep production --

25 BY THE COMMISSIONER: Q. You always imagine there is somebody going to find fault, but I say its nature is important? A. Yes.

Q. Therefore I am asking you why you haven't got it? A. I will see if I can find it.

30 MR. KELLOCK: We will see if we can find it.

MR. McRUER: As part of the same exhibit, my lord,

Witness

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... reports to tell with the release of a piece of

A. Yes.

Q. That piece of news is that a turning is being

sent out or has been sent out to the Government officials

A. Yes.

Q. All I ask you is to give us a copy of the

... if you have it? A. I will search for it.

I don't know whether we have it or not.

BY MR. MURPHY: ... that is what you say, "nothing"

at excess production have been issued?

... it is not true that it has been issued.

BY THE EXHIBITOR: ... that should be an important

... to your mind.

not regret it as so very important, my lord.

Q. I would; it affects the whole industry and

tells them there is over-production and to do more

slowly? A. We had already come that

... it was all over the world and the industry.

in fact, and we have a formal warning to the industry

minutes.

BY MR. MURPHY: ... And your object was to keep

... the industry.

BY THE EXHIBITOR: ... You always imagine

there is somebody going to find fault, but I say it is

A. Yes. ... nature is important?

Q. Therefore I am asking you what you haven't

Not it? A. I will see if I can find it.

MR. KELLER: We will see if we can find it.

MR. MURPHY: ... part of the same exhibit, my lord.

there is a copy of a letter to the Daily News Record.

THE COMMISSIONER: From whom?

MR. McRUER: From Mr. Hallam to the Daily News Record, 8 East 13th Street, New York City.

5 THE COMMISSIONER: What is the date of that?

MR. McRUER: Dated February 25, 1935. It reads as follows: "Attached is a short press release which I thought possibly you might like to have for publication". And this is marked "copy to Women's Wear Daily, 8 East 13th Street, New York City. Those two papers are trade papers?"

A. Yes.

Q. Having a circulation among manufacturers of silk?

A. That is correct.

15 Q. In the United States? A. Which two are they?

Q. The Women's Wear Daily and the Daily News Record?

20 A. Yes, the Daily News Record is the big daily that goes to all manufacturers in the United States no matter what they make. It deals with silk, rayon and so on.

Q. And the Women's Wear Daily deals with silk?

25 A. Well, Women's Wear, sir, if I remember correctly, it deals with women's wear. They are published by the same people.

Q. Your language in this letter is "attached is a short press release which I thought possibly you might like to have for publication". Now, apparently you were sending that on your own initiative?

30 A. Exactly.

Q. So there is no question of a suggestion of any request from them for any articles from you; it was propaganda you were putting out on your own initiative?

A. It was a news release.

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Q. You were putting it out for the purpose of propaganda?

A. Well, I don't know quite what the word propaganda means.

10

Q. Well, I thought you did? A. What I send out is propaganda and what the other fellow puts out is news, and vice versa.

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(page 8765 follows)

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Q. So there is no question of a suggestion of
request from them for any articles from you; it was
propaganda you were putting out on your own initiative.
A. It was a news release.
Q. You were putting it out for the purpose of
propaganda? A. Well, I don't know quite
what the word propaganda means.
Q. Well, I thought you did?
A. Well, I
said out is propaganda and what the other fellow puts
out is news, and vice versa.

(page over follows)

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THE COMMISSIONER: Q. It is something apparently that you wanted the American Trade to know?

A. Correct, that is quite correct.

5 MR. MORUM: And attached is "Immediate release" is the heading on February 25th, 1935? A. Yes, I may have sent that.

10 Q. "Warnings of excess production, based on studies of monthly production to deliveries, and stocks, on hand, have been issued by the Silk Association of Canada to the broad silk mills in Canada producing fabrics from silk and rayon. The Association offices advises the Canadian mills that while in the year 1933 the production fell slightly short of the deliveries in that year in 1934, the production was greater than deliveries, and that the stocks on hand in January were substantially in excess of previous years, while advance information concerning February 1935 indicated a substantial drop in deliveries over previous years. The warning in part says:

25 "Great care must be exercised in production because there is machine capacity in excess of requirements."

Now, note this is a little different wording than the other warnings.

30 "The Canadian mills have now absorbed all the business which was formerly held by foreign mills that they can reasonably expect to

that you wanted the American Trade to know

A. Correct, that is quite correct.

M. Most of the material is "immediate release"

is the heading on February 20th, 1955?

I may have sent that.

A. "Warnings of excess production, based on

analysis of monthly production to deliveries, and

stocks, on hand, have been issued by the silk

Association of Canada to the broad silk

mills in Canada producing fabrics from silk and

rayon. The Association officials advise the

Canadian mills that while in the year 1953 the

production fell slightly short of the deliveries

in that year in 1951, the production was greater

than deliveries, and that the stocks on

hand in January were substantially in excess of

previous years, while advance information

concerning February 1955 indicated a substantial

drop in deliveries over previous years. The

warning in part says:

"Great care must be exercised in

production because there is serious possibility of

excess of requirements."

Now, note this is a little different wording than

the other warning.

"The Canadian mills have not absorbed all

the business which was formerly held by

foreign mills that they are increasingly export

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Hallam

5 obtain and consequently this source of expansion
has come to an end. The 1933 and 1934 figures
indicate clearly that the market for production
of Canadian mills has become static and that
no expansion can take place unless conditions
in Canada improves to such an extent that the
consumer market improves. An improvement of as
much as 20 to 25% in the consumer market, and
10 which is not expected, could be taken care of
by machinery already installed."

MR. KELLOCK: Just the same;

THE COMMISSIONER: I did not hear that last part.

15 MR. McRUER: "An improvement of as much as 20 to
25% in the consumer market, and which is not expected,
could be taken care of by machinery already installed."
That means machinery already installed in Canada?

A. That is correct.

20 BY THE COMMISSIONER: Q. Now, does that letter
portray a truthful summary of the situation?

A. That was a truthful summary of the situation.

Q. There was enough machinery - perhaps too much;
25 in any event there was over-production? A. And
there was also over-production.

Q. That applied to what? A. That applied
to the Broad silk mills only. All these letters
on this subject have to do with the broad silk group.

30 Q. Now, there again you quote the warning.
Can you give us a copy of it? A. I am not

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obtain and consequently this source of expansion
has come to an end. The 1923 and 1924 figures
indicate clearly that the market for production
of Canadian mills has become static and that
the expansion has been (from 1923 to 1924)
in Canada improves to such an extent that the
consumer market improves. An improvement of as
much as 20 to 25% in the consumer market, and
which is not expected, could be taken care of
by machinery already installed."

THE COMMISSIONER: I did not hear that last part.

MR. MORRIS: "An improvement of as much as 20 to
25% in the consumer market, and which is not expected,
could be taken care of by machinery already installed."
That means machinery already installed in Canada?
A. That is correct.

BY THE COMMISSIONER: Now, does that latter
portray a truthful summary of the situation?
A. That was a truthful summary of the situation.
Q. There was enough machinery - perhaps too much
in any event there was over-production?
A. And there was also over-production.

Q. That applied to what?
A. That applied
to the broad silk mills only. All these letters
on this subject have to do with the broad silk group.
Q. Now, does this group have any
Can you give us a copy of it? A. I am not

certain that I can. We are searching for it.
We have --- I think it was the result of the big
survey we made on the position of the mills and we
have it contained in our annual meeting. One of the
warnings was made at our annual meeting.

Q. You quote there the warnings and you say
the warning says so-and-so - have you a copy of the
warning?

MR. BERRY: I have 'phoned for it.

THE COMMISSIONER: We can see what you said about
the warning - I want to see it.

MR. McRUER: Q. What you say here, the warning
says: "Great care must be exercised in production
because there is machine capacity in excess of
requirement." If Have you made that statement to the
trade? "Great care must be exercised in production".
What was your object in making that statement to
the trade? A. Because there was in my opinion
at that time.

Q. I did not ask you your reason. Do you
understand the English language? I said - what
was your object in making that statement - what did
you wish to accomplish by it? A. I thought
they ought to budget their production to their sales.

Q. That is, that they ought to exercise some
control over their production? A. That is
quite correct.

Q. With respect to what every man is producing?

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otherwise that I can. is not necessary for it.

We have --- I think it was the result of the big

survey we made on the position of the hills and we

have it contained in our annual meeting. One of the

warnings was made at our annual meeting.

.. You quote there the warnings and you say

the warning says so-and-so - have you a copy of the

warning

MR. BRYDIE: I have 'phoned for it.

THE CHAIRMAN: We can see what you said about

the warning - I want to see it.

MR. BRYDIE: What you say here, the warning

says: "Great care must be exercised in protection

because there is excessive capacity in excess of

requirements." If we have you made that statement to the

trades? "Great care must be exercised in protection"

that was your object in making that statement to

the trades? A. Because there was in my opinion

at that time.

.. I did not ask you your reason. Do you

understand the English language? I said - what

was your object in making that statement - what did

you wish to accomplish by it? A. I thought

they ought to beget their production to their

.. That is, that they ought to exercise some

control over their production? A. That is

the answer.

.. With respect to what every man is producing

A. With respect to the market, yes.

MR. KELLOCK: Show intelligence.

5 MR. McRUER: So when my friend suggested yesterday that your Association did not make any efforts to control production, that is what you were trying to do at that time? A. Yes, but I thought each man, each individual man, should look after his own production.

10 Q. I know, each individual man look after his production, but you are bringing pressure to bear on them as an Association that he would get busy and do it?

15 A. We did make a big survey, as you remember, with the intention of getting some method of control of production, so that it could be operated from the Association but that fell through, it was impossible to carry out.

Q. So that you adopted this other method?

20 A. So that the best thing that could be done on it was to give them information which would enable each individual mill to control its production.

25 Q. And issue warnings? A. Yes, issue warnings and I have warned them over and over again. It is nothing new, I have issued warning after warning, I have talked to them.

30 Q. In discussing your attitude toward the Government's action in adjusting the valuation on the Japanese yen, you emphasize the fact that the Japanese currency had depreciated and that interred the amount

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Hillman

A. With respect to the market, yes.

R. HILLMAN: How intelligent.

MR. HILLMAN: So when my friend suggested yesterday

day that your association did not make any efforts

to control production, that is what you were trying

to do at that time? . . . Yes, but I thought each

man, each individual man, should look after his own

production.

A. I know, each individual man look after his

production, but you are placing pressure to bear on

them as an Association that he would get busy and

do it? A. We did make a big survey, we

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method of control of production, so that it could be

operated from the Association but that fell through,

it was impossible to carry out.

A. So that you adopted this other method?

A. So that the best thing that could be done on it

was to give them information which would enable

each individual mill to control its production.

A. And issue warnings? A. Yes, issue warnings

and I have warned them over and over again.

It is nothing new, I have issued warning after warning.

I have talked to them.

A. In discussing your attitude toward the

Government's action in adjusting the relation on the

Japanese yen, you emphasize the fact that the Japanese

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of protection that the industry had had as against Japanese importation?

A. Yes, I think that is so.

Q. Of course, your industry had received a very great increased protection by the high valuation of the currency of many countries of Europe?

A. There would be increased protection but I could not tell you the extent of it.

BY THE COMMISSIONER: Q. Mr. MacDougall told us, for instance, the advantage he had on account of the high value of French currency?

A. Yes, that is quite correct. I don't know what the measure is.

MR. McRUER: Q. Your industry was not willing to balance one against the other but you wanted the advantage of the high-valuation of the currency in those gold block countries and you wanted high governmental action to put a high valuation on the countries where currencies were depreciated?

A. It was the law of Canada for a great many years. It is the law of Canada, it is set down by Parliament.

THE COMMISSIONER: Never mind the law of Canada. He is asking you a question. Please answer.

MR. McRUER: Q. We know what the law of Canada is but I am saying what you wanted the Government to do in the exercise of that law was to put a high valuation on the value of the yen where the currency was depreciated and at the same time that your industries could have the benefit of the high customs

duties and the high valuation of the currency in the gold block countries? A. We had to make no representations or ask the Government to do anything on the currency, on the appreciated currency.

Q. Yes, but I am suggesting to you that one would balance the other and it was not necessary for you---

A. We made no representations to the Government on that.

Q. Well, in other words, you wanted your bread buttered on both sides. Did you see a pamphlet that was issued about a year ago on the subject "Japanese competition?" A. No.

THE COMMISSIONER: Issued by whom?

MR. McRUER: By those interested in the affairs of the Textile Trade in Canada.

THE WITNESS: You can show me the pamphlet.

Q. I have not one. I am asking you if you saw one or helped prepare one? A. I don't know of any pamphlet.

Q. Well, did you prepare a pamphlet on the subject of Japanese competition? A. I don't think so.

You do not mean the material we sent the Government Commission or anything of that? Do you mean a printed pamphlet?

Q. I mean a printed pamphlet that had circulation in areas where there were textile mills? A. Not to my knowledge.

Q. Are you quite sure you did not have anything to do with the preparation of one? A. Well,

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...and the value of the currency in the
gold block countries? A. We had to make no
representations or ask the Government to do anything
on the currency, on the depreciated currency.

4. Yes, but I am suggesting to you that we will
balance the other and it was not necessary for you--

A. No more no representations to the Government on the
...well, in other words, you wanted your money

...better on both sides. Did you see a pamphlet that
was issued about a year ago on the subject "Japanese

competition? A. No.
THE COMMISSION: Issued by whom?

MR. MORTON: By those interested in the affairs
of the textile trade in Canada.

MR. MORTON: You can show me the pamphlet.
C. I have not one. I am asking you if you

saw one or helped prepare one? A. I don't
know of any pamphlet.

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of Japanese competition? A. I don't think so.

You do not mean the material we sent the Government
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...I mean a printed pamphlet that had circulation
in areas where there were textile mills? A. Not

to my knowledge.

.. Are you quite sure you did not have anything
to do with the preparation of one? A. Well,

I dont remember it. Can you draw it to my mind?

Q. I would think you would remember it? A.

I should remember it--I dont remember it. I may if -

5 Q. You say you may? A. Well, I dont remember.

Q. You say you may have been responsible for it?

A. I dont say that.

10 Q. You say you dont just remember. I would think you would remember one way or the other whether you were responsible or had a part in the preparation of a pamphlet for circulation in areas where there was textile mills which dealt partly with the subject of Japanese competition? A. I dont think so--

15 not in my memory anyway. I have written so much on the Japanese situation.

20 Q. Now, in your representations that were made to the Tariff Board and the Government have you ever made a computation to determine the profits that have been made by the different mills in the industry and the disposition of the profits? A. No, I have not done so.

25 Q. So that apparently in your representations to the Government you take this position - that this is an industry that is entitled to be protected irrespective of what profits it makes or what use it makes of them? A. Well, I think that interpretation is not quite fair.

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Q. Well, if you have not made such a calculation

Q Now remember it. Can you draw it to my

A I don't know what you mean, I don't

Q I don't remember it--I don't remember it. I may it

A Yes say you may? A. Well, I don't

Q You say you may have been responsible for it

A I don't know.

Q You say you don't just remember. I would

think you would remember one way or the other whether

you were responsible or had a part in the preparation

of a pamphlet for circulation in areas where there

was textile mills which dealt partly with the subject

of Japanese competition? A. I don't think so--

not in my memory anyway. I have written so much

on the Japanese situation.

Q Now, is the Government's position that you

made to the Tariff Board and the Government have you

ever made a contribution to determine the profits that

have been made by the different mills in the industry

and the disposition of the profits? A. No, I have

not done it.

Q So that apparently in your representation to

the Government you take this position - that this is

an industry that is entitled to be protected from

of great profits it makes or what use it makes of

it. I think that is a very good position to take.

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in all the representations you made then that must be your attitude - that this industry is entitled to protection and the protection you ask for irrespective of the profits that it makes or has made in the past.

5 A. I make my representations without putting any of that forward. Yes, that is quite correct.

Q. That must be the simple case that you ask for the tariffs or the customs duties on textiles to be maintained at their present level or higher?

10 A. Or in some cases lower.

Q. You have asked for higher? No doubt about that.

15 BY THE COMMISSIONER: Q. Have you really asked in some cases for the tariff to be lowered except on your raw material? A. Pardon?

Q. You just said in some cases --- A. Yes, we have suggested to the government that they lower them.

20 Q. I thought that was in connection with your raw material? A. No. We were asked in 1932 if there was anything we could have brought in free from Great Britain, manufactured article, and we suggested them putting a free item in for ^{cloth} ~~best~~ weighing four ounces and under and would be very substantial import.

25 MR. McRUER: Q. Any manufactured in Canada?

A. No, because the old duty rate was too low, the old duty rate was in existence.

BY THE COMMISSIONER: Q. How do you mean the

30 "Old duty rate was in existence"? A. It was in existence in 1932 and did not keep them out. We had

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your attitude - that this industry is entitled to
protection and the protection you ask for is responsive
of the profits that it makes or has made in the past.
A. I make my representations without putting any
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MR. MORRIS: Q. Any manufactured in Canada?
A. No, because the old duty rate was too low, the old
duty rate was in existence.
BY THE COMMISSIONER: Q. How do you mean the
"old duty rate was in existence"? A. It was in
existence in 1932 and did not keep them out. We had

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machinery that was capable of making them.

Q. You said let them come in free as long as your duty does not keep them out? A. Yes.

5 Q. Why did you want that if they came in and paid duty and the government got revenue? A. We were asked by the Government. I was just giving that as an illustration.

10 MR. McRUER: I just want to see a policy put forward by you as probably the tariff expert for the industry? A. I am not an expert.

Q. You have appeared many many times? A. Yes.

15 Q. And you have told us that LaFrance did not get along very well and when they came to you you were able to cure them and you have done very well undoubtedly, but the policy that is underlying your requirements is this: One that should be laid down irrespective of the profits that the Companies had made in the past or are making at the present time.

20 BY THE COMMISSIONER: Q. Or I suppose the disposition of those profits? A. Or the disposition of those profits.

25 MR. McRUER: Q. I want to get your view on this now. I think if we take the profits that the companies have made in the past and paid a reasonable interest on the investments, that many of them would have been able to have written off their whole plant, and have the buildings clear of encumbrance?

30 A. I cannot answer that because I have never gone

Q. You said for them come in there as long as you
duty does not keep them out? A. Yes.
Q. Why did you want that if they come in and
duty and the Government get revenues? A. We were
asked by the Government. I was just giving them an
illustration.
MR. MONTGOMERY: I just want to see a policy
forward by you as probably the tariff expert for the
industry? A. I am not an expert.
Q. You have appeared many many times? A. Yes.
Q. And you have told us what business did not go
along very well and when they came to you you were
able to cure them and you have done very well under
it, but the policy that is making your business
is this: The time should be laid down irrespective
of the profits that the companies had made in the
past or are making at the present time.
BY THE COMMISSIONER: Q. Or I suppose the dis-
position of those profits?
A. Of the
disposition of those profits.
MR. MONTGOMERY: Q. I want to get your view on this
now. I think if we take the profits that the
companies have made in the past and paid a reasonable
interest on the investments, that many of them would
have been able to have written off their whole plant,
and have the buildings clear of encumbrances.
A. I cannot answer that because I have never done

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into it.

Q. Would that not be a very important item to consider in determining what tariff ought to be given to an industry?

A. I think the Government is in possession of all that material. I think they are filed every year with the government.

Q. You mean the facts?

A. No, but every year, the government is in a better position than I am to make that statement.

Q. I am not talking about you. I am talking about the industry - they know. The Dominion Textile and Canadian Cottons and all the rest of them know what their own history is?

A. Yes, they all know their own history.

Q. Yes, but the tariff that you want is apparently one based on something other than what would give a reasonable profit?

A. Well, ---- I don't think that would be quite fair.

Q. Well, if you don't it must be something else.

BY THE COMMISSIONER: Tell me this: Does your industry look forward to the day when it will be self-supporting, able to do without tariff protection?

A. It is all a question of the ---

Q. I am asking you. You say, there are different sorts of tariff protection. One just to nurse an industry along, say, for 20 or 30 years and then stand by itself. Lay down its crutches and walk.

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... would that be a very important item to
consider in getting what tariff ought to be given
to an industry? ... I think the government
is in possession of all that material. I think the
are filed every day with the government.
... You see the facts?
... no, but every year
the government is in a better position than I am to
make that statement.
... I am not asking about you. I am asking
about the industry - they know. The Dominion
Textile and Canadian Cottons and all the rest of them
know what their own history is? ... Yes, they
all know their own history.
... Yes, but the tariff that you want is approximately
one based on something other than what would give a
reasonable profit? ... Well, --- I don't think
that would be quite fair.
... Well, if you don't it must be something else.
... Well, I think you are right.
Industry look forward to the day when it will be
self-supporting, able to do without tariff protection?
... It is all a question of the ---
... I am asking you. You say, there are different
sorts of tariff protection. One just to make
an industry alone, say, for 20 or 30 years and then
stand by itself. Lay down its tracks and walk.

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Built up efficiently and paid off its capital investment, &c. and be able to walk without tariff protection.

Is that the attitude of your industry or do you expect to have tariff protection indefinitely forever.

Then you have to consider such as Mr. McRuer suggests there - what have you done with your profits? Have you used them to better your capital position or have you simply handed them out as dividends? A. I

really could not tell you on that point because I don't know. In regard to the other matter, so long as there is the wide discrepancy between wages in other countries that are in competition with us and in Canada, not only in the Textile trade but in the building trade ---

Q. I know - you are getting back to your cost of production again? A. Exactly.

THE COMMISSIONER: How long has the Textile Industry in Canada been protected?

MR. McRUER: Since 1874.

THE WITNESS: I have forgotten the exact date.

Q. Now, in respect to the differential between the wages in Canada and wages in other countries, you gave us yesterday some statement that the wages in Brittain would be half what they are in Canada. Of course, you have got to take into consideration the productivity of the machinery that the men are running?

A. I agree with that absolutely.

Q. But on all these things the wage item comes

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built up efficiently and paid off its capital investment, &c. and be able to walk without tariff protection is that the attitude of your industry or do you expect to have tariff protection indefinitely forever.

Then you have to consider such as Mr. McNair suggests there - what have you done with your profits? Have you used them to better your capital position or have you simply handed them out as dividends? A. I really could not tell you on that point because I don't know. In regard to the other matter, so long as there is the wide discrepancy between wages in other countries that are in competition with us and in Canada, not only in the textile trade but in the building trade ---

A. I know - you are getting back to your cost of production again? A. Exactly.

THE COMMISSIONER: How long has the textile industry in Canada been protected?

MR. BRYDIE: Since 1874.

THE COMMISSIONER: I have forgotten the exact date.

A. Now, in respect to the differential between the wages in Canada and wages in other countries, you gave us yesterday some statement that the wages in Britain would be half what they are in Canada. Of course, you have got to take into consideration the productivity of the machinery that the men are running.

A. I agree with that statement.

A. But on all these things the wage item comes

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to about 25% of the unit cost? A. I am not sure of that. Mr. McRuer, you have got to be careful to get all the wages. In an article for instance, if the man starts from yarn and goes through to the finished cloth only it may be 25% but you have got to take the labour in spinning and the labour prior to that.

Q. I realise that. I am putting it very generously when I put it at 25 cents. I think some figures show it 15 cents and 20 cents, &c.?

A. I think there are accurate figures on that obtained by the Tariff Board in the Tariff Board reports.

I don't know, I would not speak from memory but I think sometimes it went up as high as 42%.

Q. On the individual item but why does the industry need more protection than the whole of the wage bill? A. Because you are only dealing with direct wages in that case.

Q. No, I am talking about indirect wages?

A. No, no, no.

Q. Take the silk industry, for instance, where in one mill the wage bill amounted to about the same amount as the net profits. Now, why does an industry need more protection than the whole of the wage bill if it is taking up the differential between Canada and other countries? A. In addition to the direct wages you have got the affect in an industry of the indirect wages.

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to about 25% of the unit cost? ... I am not sure
of that. Mr. Monahan, you have got to be careful to
get all the wages. In an article for instance, if
the man starts from yarn and goes through to the
finished cloth only it may be 25% but you have got
to take the labour in spinning and the labour prior
to that.

... I realize that. I am getting it very
generously when I put it at 25 cents. I think some
figures show it 15 cents and 20 cents, etc.
... I think these are accurate figures on that obtained
by the tariff board in the tariff board reports.
I don't know, I would not speak from memory but I think
sometimes it went up as high as 40%.
... on the individual item but why does the
industry need more protection than the whole of the
... with direct wages in that case.
... No, I am talking about indirect wages?

... Take the silk industry, for instance, where
in one mill the wage bill amounted to about the same
amount as the net profits, now, why does an
industry need more protection than the whole of the
... wage bill if it is taking up the differential
... between Canada and other countries?
... addition to the direct wages you have got the effect
in an industry of the indirect wages.

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Hallam

BY THE COMMISSIONER: Q. What do you mean by that?

5 A. I mean the builder, the man who builds your building, the mechanic who comes in to repair your machinery, the electrician, the painters, all the elements, the railway worker, my lord. Anything else that goes into your cost of operating, internally, they have all got to be taken into consideration and I ---

Q. But as against that?

10 MR. KELLOCK: He has not finished.

THE COMMISSIONER: Is there anything else?

A. No, but just a fact of indirect wages has to be taken into consideration.

15 MR. McRUER: Q. All that is affected by other methods of distribution too - you have transportation and that sort of thing - that is, on goods imported?

A. Yes.

20 Q. The importers and distributors and people engaged individually are contributing to it, that it is not shown in the statistics that show importations?

A. That is quite true.

Q. Dock wallopers and people of that sort?

25 A. On the other hand, if you examine freight rates you will find that certain goods can be landed in Winnipeg from England cheaper than we can land them from Ontario and Quebec in Winnipeg.

BY THE COMMISSIONER: Q. What goods have you in mind?

30 A. Oh, almost any textiles, my lord.

Q. You say they can be landed in Winnipeg cheaper?

WILLIAM

8777

Q. What do you mean by that?

A. I mean the builder, the man who builds your building.

the mechanic who comes in to repair your machinery,

the electrician, the painter, all the elements, the

railway worker, my lord.

into your cost of operating, naturally, they have

all got to be taken into consideration and I --

Q. But as a matter of fact?

MR. KYLE: He has not finished.

Q. What is the result of that?

A. No, but just a fact of business as we have to do

taken into consideration.

MR. KYLE: All that is reflected by other

methods of distribution too -- you have transportation

and that sort of thing -- that is, no goods imported?

A. Yes.

. The importers and distributors and people

engaged individually are contributing to it, that is

not shown in the statistics that show importations?

A. That is quite true.

Q. Do the wholesalers and people of that sort?

A. On the other hand, if you examine freight rates

you will find that certain goods can be landed in

Winnipeg from England cheaper than we can land them

from Ontario and Quebec in Winnipeg.

Q. What goods have you in mind?

A. Oh, almost any textile, my lord.

A. Yes, because the big end is ocean freights.

Q. You say they can be landed in Winnipeg? A. Landed in Winnipeg from England.

Q. Cheaper than from Toronto? A. I think it is Toronto to Winnipeg, yes.

Q. You mean really cheaper per mile? A. No, on a pound of goods or whatever the unit is and they certainly can lay down goods cheaper in Vancouver from England than we can here.

Q. That is an all-water route? A. Yes. As you know, my lord, the big end of the freight is water freight and railways get the small end of it when it is railway and ocean.

Q. Are you sure of that? A. I have not studied that for some years.

Q. Is not it the other way around? A. No, I think it is that way, my lord. I had not studied it for some years.

MR. McRUER: Q. I just want to take up with you one or two of the exhibits that my friend filed. Before doing that I want to get your view on a letter in respect to Japanese trade that was sent by the Canadian Pacific Railway to the Prime Minister in 1931. This letter, my lord, I would like to file. I have a letter from Mr. Apps of the Canadian Pacific Railway.

EXHIBIT 660: Copy of a letter dated April 23th, 1931, from J.O.Apps, Gen. Executive Assistant, C.P.R. to the Rt. Hon.R.B.Bennett.

A. Yes, because the big end is ocean freight.

Q. You say they can be landed in Winnipeg?

A. In Winnipeg from England.

Q. Cheaper than from Toronto?

A. Is Toronto to Winnipeg, yes.

Q. On a pound of goods or whatever the unit is and they

certainly can pay lower goods charges in Vancouver to

Winnipeg than we can here.

Q. That is an all-water route?

A. As you know, my lord, the big end of the freight is

water freight and railways get the small end of it

when it is railway and ocean.

Q. Are you sure of that?

A. I have not

studied that for some years.

Q. Is not it the other way around?

A. No,

I think it is that way, my lord. I had not studied

it for some years.

MR. HARRISON: Q. I just want to make up with you

one or two of the exhibits that my friend filed.

Before doing that I want to get your view on a letter

in respect to Japanese trade that was sent by the

Canadian Pacific Railway to the Prime Minister in 1911.

This letter, my lord, I would like to file.

I have a letter from Mr. Asps of the Canadian Pacific

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Q. It reads as follows:

" In the Montreal Star of April 18th a
"despatch from Ottawa states that the problem
"of Japanese imports is reported to be giving
"the Government no little concern, and in
"quarters usually well informed some action
"to remedy the situation is expected in the
"forthcoming budget; that the crux of the
"problem is the virtual immunity of a large
"class of Japanese silk goods to the Canadian
"anti-dumping regulations, due to the fact
"that they are produced only for export, and
"sold in Canada for less than a fair price
"in their home market. The despatch states
"that several deputations from the Canadian
"silk and rayon industries have been to Ottawa
"to interview the Government in regard to the
"matter.

" A large proportion of the silk business
"from Japan destined to the United States, and,
"of course, nearly all of that for Canada, now
"enters through the port of Vancouver, thereby
"benefitting Canadian ports and Canadian trans-
"portation companies, who obtain a long and
"fairly remunerative haul, as against Japanese
"or American shipping into Seattle and via
"United States railways.

" There are at present time three alter-
native routes, viz.,-

is made as follows:

"In the interest of the public

"respected from Canada states that the public

"all business interests is reported to be giving

"the Government no little concern, and in

"the Government will continue to maintain

"it firmly the situation is expected in the

"to maintain peace; and the work of the

"action is the virtual monopoly of a few

"class of Japanese silk goods to the Canadian

"anti-dumping regulations, and to the fact

"that they are produced only for export, and

"sold in Canada for less than a fair price

"in their home market. The department

"and several deputations from the Canadian

"with the view of securing a fair price in the

"to let view the Government in regard to the

"matter.

"A large proportion of the silk industry

"from Japan destined to the United States, and

"of course, nearly all of that for Canada, and

"enters through the port of Vancouver, thereby

"benefiting Canadian ports and Canadian trade.

"Protection companies, who obtain a large and

"fairly remunerative haul, as against Japanese

"or American shipping into Seattle and the

"other ports of the coast.

"The fact that the Government is taking

"steps to protect the public interest

" 1. The Panama Canal via subsidized Japanese ships to New York.

" 2. Subsidized Japanese and United States ships into Pacific Coast ports of the United States.

" 3. Subsidized Japanese lines into the port of Vancouver in competition with

" the Canadian Pacific Steamships and the Blue Funnel Line, both of which

" receive no Governmental assistance.

" I feel that it is needless to call your attention to the fact that the Japanese government is under pressure from its Nationals to use to the fullest extent its own shipping which is heavily subsidized, and we are apprehensive that if Canada imposes additional barriers on Japanese artificial silks, Japan will retaliate by largely increasing its shipments not only of artificial silks, but raw silk and possibly other

"commodities, through United States Pacific Coast

"ports and via the Panama Canal, in this way

"depriving the Canadian National Railways

"and the Canadian Pacific Railway of the

"traffic which they are now obtaining.

" We respectfully ask that this question be

"given most serious consideration if the report

"is true that the Government intends to take

"any action on the request of the Canadian

"artificial silk manufacturers."

1. The Panama Canal via subsidized Japanese ships to New York.

2. Subsidized Japanese and United States ships into Pacific Coast ports of the United States.

3. Subsidized Japanese ships into the port of Vancouver in competition with the British line, both of which receive no Governmental assistance.

"I feel that it is needless to call your attention to the fact that the Japanese Government is under pressure from its nationals to use to the fullest extent its own shipping in Pacific commerce."

"and we are apprehensive that if Canada imposes additional barriers on Japanese shipping, Japan will retaliate by largely increasing its shipments not only of artificial silk, but raw silk and possibly other commodities, through United States Pacific Coast ports and via the Panama Canal, in this way depriving the Canadian National Railway and the Canadian Pacific Railway of the traffic which they have obtained."

"We respectfully ask that this proposition be given most serious consideration if the report is true that the Government intends to take any action on the request of the Canadian authorities with regard to."

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And there is also a letter from the Canadian National Railways, My Lord, on the same topic.

THE COMMISSIONER: Better put them together as part of the same Exhibit. Who is it from in this case?

MR. McRUER: It is a letter to the Prime Minister; it is dated May 4, 1931.

Re: Tariff on Japanese Silk.

"In a general way, we desire to associate ourselves with the sentiments expressed by Mr. J. O. Apps on behalf of the Canadian Pacific Railway in his letter of the 28th ultimo, and, for your information, I submit a copy of a memorandum, dated the 21st ultimo, from our Traffic Manager, from which memorandum you will observe that the silk movement yields a substantial revenue to the Canadian National Railways.

"We understand, of course, that on the other side of the problem you have to give due weight to representations made to promote Canadian industries by the manufacture of artificial silk and this letter is written simply to draw your attention to the importance of retaining Japanese good-will in so far as possible in the National interest.

"Yours truly,

"E. E. Fairweather."

And the enclosure is dated April 21, 1931, headed:

and there is also a letter from the Canadian National
 always, my love, on the same topic.

THE COMMISSIONER: Better put them together as
 part of the same exhibit. Who is it from in this

Mr. McNamee: It is a letter to the Prime Minister;
 it is dated May 4, 1931.

THE SILENCE OF THE CANADIAN NATION

"In a general way, we desire to associate
 ourselves with the sentiments expressed by Mr.
 "Bellevue in his letter of the 28th ultimo, and
 "for your information, I submit a copy of a
 "memorandum, dated the 21st ultimo, from our
 "Traffic Manager, from which memorandum you will
 "observe that the silk movement yields a sub-
 "stantial revenue to the Canadian National

"We understand, of course, that on the other
 "side of the problem you have to give due weight
 "to representations made to promote Canadian
 "industries by the manufacture of artificial
 "silk and this letter is written simply to draw
 "your attention to the fact that the
 "silk and this letter is written simply to draw

"Yours truly,

"L. E. McNamee."

and the evidence is dated April 21, 1931, signed

"SILK GOODS TRAFFIC IMPORTED FROM JAPAN ETC."Mr. E.E. Fairweather, K.C. Montreal.

Referring to the article in the Montreal Star of last Saturday, in respect to the proposal of the Canadian Government to increase the duty on Silk Goods imported from Japan.

In addition to the movement of silk traffic from Japan to Canadian destinations, there is considerable movement vis Vancouver, destined to United States points, particularly New York, and we have participated in this movement to a considerable extent, - our total revenue on the tonnage handled by us from Vancouver during the year 1929 amounted to \$515,847.00.

The tonnage we handled during the year 1930 was probably somewhat less than this, by reason of the increased movement of Silk Traffic via the All Water route through the Panama Canal, but nevertheless, it still represented a considerable amount in revenue.

In addition to the Silk traffic we handled over our Line from Vancouver, we also participated, as an Intermediate Carrier, on such traffic from Chicago to the Niagara Frontier, and during the same year (1929), our earnings on this latter tonnage were approximately \$120,000.00.

A considerable portion of the Silk tonnage

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referring to the article in the New York
 Journal of last Saturday, in respect to the
 of the Canadian Government to increase the
 on Silk Goods imported from Japan.
 In addition to the movement of silk from
 from Japan to Canadian destinations, there is
 considerable movement via Vancouver, destined
 and we have participated in this movement
 the tonnage handled by us from Vancouver during
 the year 1922 amounted to \$10,000.00.
 The tonnage we handled during the year
 1920 was probably somewhat less than this,
 of the increased movement of silk traffic via
 all other routes through the Panama Canal, but
 nevertheless, it still represented a considerable
 amount in revenue.
 In addition to the silk traffic we handle
 over our line from Vancouver, we also
 participated, as an intermediate carrier,
 on such traffic from Chicago to the Niagara
 and during the same year (1922), our earnings
 on this latter traffic were approximately
 \$120,000.00.
 considerable portion of the silk ton-

5 moving to New York is controlled by Japanese
firms and we figure if our Government imposes
a tariff duty against silk brought into
Canada, such action would probably be resented
by the Japanese Shippers, who control this
10 traffic moving to United States destinations
and they might, as a retaliatory measure,
use their influence to have such traffic diverted
from Canadian routes to all American routes,
which would represent a serious loss in revenue
to us, because of the fact this traffic yields us
high net revenue, on account of the fact the
15 rate applicable thereon is \$9.00 per 100 lbs,

There are two kinds of traffic involved
in this movement - one is Raw Silk, which is the
preponderating movement, and the other Silk Goods,
and while, apparently, from newspaper article, the
20 proposed tariff action will only apply to silk
goods, this might still result in retaliatory
action being taken by the Japanese firms in
respect to the movement of raw silk, on which
latter traffic we derive the bulk of our revenue."
25 and do you know that shortly after that the silk started
coming in through the United States and for the last
three or four years practically the most of it has
been imported through United States ports.

30 THE COMMISSIONER: He is talking of Japanese silk?

THE WITNESS: You mean Japanese raw silk?

...and we figure if our Government imposes
a tariff duty against silk brought into

Canada, such action would probably be resisted
by the Japanese Shippers, who control this

traffic moving to United States destinations
and they might, as a retaliatory measure,

use their influence to have such traffic diverted
from Canadian routes to all American routes,

which would represent a serious loss in revenue
to us, because of the fact this traffic yields

high net revenue, on account of the fact the
rate applicable thereon is \$2.00 per 100 lbs.

There are two kinds of traffic involved
in this movement - one is raw silk, which is

imported from Japan, and the other is
and while, apparently, from newspaper articles,

proposed tariff action will only apply to silk
wool, this might still result in retaliatory

action being taken by the Japanese firms in
respect to the movement of raw silk, on which

latter traffic we derive the bulk of our revenue
and do you know that shortly after that the silk

coming in through the United States and for the
three or four years past really the most of it has

been imported from Japan. It is talking of Japanese
... to the United States for raw silk?

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I would like to look at the figures on that.

5 MR. McRUER: Q. You were just telling us about, during the last day or two, the amount that ought to be added to Japanese imports to show - by reason of the raw silk coming in from the United States?

A. Yes, but I think that condition went back a good many years. I don't think it started here.

10 Q. It started with the excise really? A. I don't think so. There is no use making my answer without the figures ---

15 MR. KELLOCK: My lord, it might have come in through Vancouver in bond and be hauled by the Canadian Railways and still go right through to New York.

THE COMMISSIONER: Has that taken place? That such a thing is possible?

MR. KELLOCK: Yes.

20 THE COMMISSIONER: Can Mr. Hallam tell us whether that is going on? A. I have always understood - I have not got the figures, that a certain amount did come through in bond.

25 MR. McRUER: Q. It is practically all coming through New York in the last three or four years and coming by water? A. I could not tell you. As a matter of fact I would have to look up the statistics.

30 THE COMMISSIONER: I suppose those who could better tell us that are those who wrote that letter, the Railway people?

I would like to look at the figures on that.
MR. MORRIS: Q. You were just telling us about
the new silk coming in from the United States?
A. Yes, but I think that condition went back a
many years. I don't think it started here.
Q. It started with the Chinese people?
A. I don't think so. There is no real making of
without the figures ---
through Vancouver in bond and be housed by the
railways and still go right through to New York.
Q. And you say that has been going on?
A. That much a thing is possible.
Q. THE COMMISSIONER: Can Mr. William tell us
that is going on?
A. I have always understood
I have not got the figures, but a certain amount
did come through in ---
MR. MORRIS: Q. It is practically all coming
through New York in the last three or four years?
A. I could not tell you
as a matter of fact I would have to look up the
statistics.
Q. THE COMMISSIONER: I suppose those who could
tell us that are those who were the best, the
railway people?

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MR. McRUER: Yes.

Q. Now, if you look at Exhibit 636, which my friend put in through you, some calculations of your own on the Primary Textile groups---

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THE COMMISSIONER: That is, table of employment.

MR. McRUER: Yes, my lord.

Q. By the way you do not show the year 1929?

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A. No, I did not go back, I had a short time and I did not go back. 1929 would be about 53,000 people. I have not got the actual figures.

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Q. What I want to draw your attention to is that in 1930 there were 50,263 people employed in the industry. In 1933 there were about 3,700 people more employed in the industry than in 1930.

THE COMMISSIONER: Now, you say "The industry"- in which?

MR. McRUER: In the Primary Textile group.

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THE COMMISSIONER: Woollen and cotton?

MR. McRUER: In the whole of the industry the accomplishment had been up to 1933 to employ about 3,700 more people in the whole of the industry?

25

A. Yes, at a time when the general trend of employment was downward in the whole of Canada.

THE COMMISSIONER: Have you as a basis, the total number of employees in the industry? You have just the increase.

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MR. McRUER: 50,263 in 1930 and 53,753 in 1933.

Q. But the next figure I want to draw your

MR. MEMBER: Yes.

Q. Now, if you look at Exhibit 338, which my friend put in through you, some calculations of your own on the Primary Textile Group---

THE COMMISSIONER: That is, table of employment.

MR. MEMBER: Yes, my lord.

Q. By the way you do not show the year 1939?

A. No, I did not go back, I had a short time and I did not go back; 1939 would be about 28,000 people. I have not got the actual figures.

Q. What I want to draw your attention to is

that in 1939 there were 20,368 people employed in the industry. In 1938 there were about 2,700 people more employed in the industry than in 1930.

THE COMMISSIONER: Now, you say "the industry"---

in which?

MR. MEMBER: In the Primary Textile Group.

THE COMMISSIONER: Woolen and cotton?

MR. MEMBER: In the whole of the industry the accomplishment had been up to 1938 to employ about 2,700 more people in the whole of the industry?

A. Yes, at a time when the general trend of employment was downward in the whole of Canada.

THE COMMISSIONER: Have you as a basis, the

first survey of employment in the industry?

Yes, my lord.

MR. MEMBER: 20,368 in 1930 and 22,733 in 1938.

Q. But the next figure I want to draw your

attention to is that this industry got 3,753 more people to work for it for about \$300,000 less money than they had paid out in toto in 1930? A. That is correct. The facts are there.

5 Q. So that the advantage they took of the tariffs is this: that they got 3,700 more people to work for them for \$300,000 less money? A. That is not a correct statement.

10 Q. Well, that is what is the net result of it. A. You say the advantage they took of the tariff. I don't quite know what you mean by that. Probably that is argument and I probably ought not to argue with you but the average wages paid in 1930, and these are wages and salaries, by the way? A. These are wages and salaries.

15 . Pages would be much more informative to us but you have not that figure? A. I did not have it at the time and I do not know whether it can be got, I suppose it can be got.

20 Q. We are getting it, so don't worry about that. Just so that your summary won't go out to the public quite in the form you gave it, the average wage and salary in 1930 was \$811, and in 1933 was \$759? A. Just a drop of 7 per cent. as I remember.

25 Q. Whether it is a drop of 7 per cent. or what it is, a drop of \$50.00 or \$60.00 on average rate amounting to such a low sum of money is a pretty substantial drop? A. Yes, and it ought to be

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attention to is in this country for \$3,000 more
people to work for it for about \$10,000 less money
then they had paid out in 1930. A. In 1930
is correct. The facts are these.
So that the advantage they took of the
tariffs is this: that they got \$3,000 more people to
work for them for \$100,000 less money. A. That is
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Well, that is what is the net result of it.
A. You say the advantage they took of the tariff?
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the wages and salaries, by the way. These are
figures would be much more informative to me
but you have not that figure? A. I did not have
it at the time and I do not know whether it can be
got, I suppose it can be got.
We are getting it, so don't worry about that.
Just so that your summary won't go out to the public
false in the form you gave it, the average wage
and salary in 1930 was \$11, and in 1938 was \$10.75.
A. Just a drop of 7 per cent, as I remember.
That is it is a drop of 7 per cent, or has
it a drop of \$1.25 or \$1.00 on average rate
amounting to such a low sum of money is a pretty
substantial drop? A. Yes, and it ought to be

taken into consideration with the other wages in Canada, the drop in the other wages, to get the true picture you have got to put them all together.

Q. In the meantime some of the leading industries were maintaining their dividends on stock for which no money had been paid? A. Well, you have all that information. I am not an authority on that.

Q. And then when we come to 1934 the total results of the tariff increase, we may put it that way, there was 9,200 more employees in the whole industry, on your own figures, than there had been in 1930?

A. That is on the Government's figures, yes.

Q. Now, may I just for a moment compare the manner in which the industry thrived here and the manner in which the industry had thrived in Great Britain at the same time. Exhibit 600 is a compilation of data that has been put in, which had been prepared by you with a view to any negotiations that might take place between Canada and the United Kingdom.

THE COMMISSIONER: Has to do with the Cotton Industry?

MR. McRUER: Yes, has to do with the Cotton Industry, my lord.

Q. I see in reference 7 in this paragraph:

"As an illustration of the extent of the depression in the spinning section of the British Cotton industry, it should be noted that in 1934, of the 171 companies listed on the Oldham

taken into consideration with the other wages in Canada, the drop in the other wages, to get the true picture you have got to put them all together.

Q. In the meantime some of the leading industries were maintaining their dividends on stock for which

no money had been paid? A. Well, you have all the information. I am not an authority on that.

Q. And then when we come to 1934 the total loss of the tariff increase, we may put it that way,

there was 9,300 more employees in the whole industry on your own figures, than there had been in 1930?

A. That is on the Government's figures, yes. Q. Now, may I just for a moment compare the

manner in which the industry thrived here and the manner in which the industry had thrived in Great Britain

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MR. MORRIS: Yes, has to do with the Cotton Industry, my lord.

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in the spinning section of the British Cotton industry, it should be noted that in 1934,

of the 171 companies listed on the Oldham

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Stock Exchange, only 35 were in a position to make any dividend payments, and that the dividends so paid amounted to less than 4/10 of 1% of the capital of the 171 companies."

5 You, I suppose, have gathered that information with some care? A. I think that would be the fact.

Q. And that was the situation among the British companies in 1930? A. That was taken from

7E. Just let me get the source of that. That
10 is from the Cotton Year Book 1935, page 44.

Q. And then on reference 7D, you have a statement in reference to dividends? A. You will notice in 1920 they made 19.7 was the dividends, 19.7 %.

15 Q. Yes, we have not got any that got up to 19.7%. This is on capital invested? A. You don't know what the capital invested there was in England.

20 Q. Dividends compared - total dividend payments and percentages to total paid-up share capital year since 1920, and when you get down to -- Take for the period from 1930 to 1934 - 1920 you have that high percentage of 19.7. In 1921 there are 293 companies and their dividends were 4.3 per cent. And in 1922,
25 2.7, and 1.6 per cent., and 1.7 per cent., and 4.0 per cent., 2.7 per cent., 1.6 per cent., 1.4 per cent. and 1.3 per cent. and then commencing in 1930.

30 When we come down to 1930 it is 0.665 per cent. In 1931 0.3893 . In 1932 0.3418. In 1933, 0.3209,

Stock Exchange, only 33 were in a position to

make any dividend payments, and that the dividend

so paid amounted to less than 4% of the

capital of the 141 companies."

You, I suppose, have gathered that information with some

difficulty.

Q. And that was the situation among the British

companies in 1930? A. That was taken from

the fact that we got the source of that. That

is from the Cotton Year Book 1931, page 44.

Q. And then on reference to, you have a statement

in reference to dividends? A. You will notice

in 1930 they made 18.7 was the dividends, 19.7.

Q. Yes, we have not got any that got up to

19.7. A. This is on capital invested?

Don't know what the capital invested there was in

Dividends corrected - total dividend payments

and percentages to total paid-up share capital year

since 1920, and when you get down to --

period from 1920 to 1934 - 1930 you have that high

percentage of 18.7. In 1931 there are 23 companies

and their dividends were 4.3 per cent. And in 1932

3.7, and 1.6 per cent., and 1.7 per cent., and 4.0

per cent., 3.7 per cent., 1.6 per cent., 1.4 per cent.

and 1.3 per cent., and then commencing in 1930.

When we come down to 1930 it is 0.688 per cent. In

1931 0.383. In 1932 0.341. In 1933, 0.380.

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and in 1934 0.3577 per cent.

So that the dividend record in the Canadian Industry over that period has - well, to say the least - been very much above these? A. I should think so,

I don't know the figures.

Q. Well, you did not prepare these figures of the dividend record of the Canadian industry to set opposite the record of the British dividends?

A. We point that out, we say this condition is chiefly due to the great decline in Great Britain's sales of cotton goods in recent years, especially in the Far East, mainly due to the rapid expansion of the cotton industry in Japan, China and India.

THE COMMISSIONER: I just want for my own information. When you gave those figures of employment, 15,000 increased employment, were you talking of the whole textile industry or only of the cotton?

MR. McRUER: No, the whole textile industry.

THE WITNESS: All but the needle trades. That does not include needle trades and, there may be one or two small groups in between one and the other.

THE COMMISSIONER: That is all I want to know.

-- Adjourned at 12.30 P.M. to resume at 2 o'clock P.M.

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and in 1984 0.53% per cent.
so that the dividend record in the Canadian industry
over that period has - well, to say the least - been
very much above these? A. I should think so.
I don't know the figures.
. Well, you did not prepare these figures of
the dividend record of the Canadian industry to set
opposite the record of the British dividend?
I. We point that out, we say this condition is
chiefly due to the great decline in Great Britain
sales of cotton goods in recent years, especially in
the Far East, mainly due to the rapid expansion of the
cotton industry in Japan, China and India.
THE COMMISSIONER: I just want for my own
information. When you gave those figures of employ-
ment, 18,000 increased employment, were you talking
of the whole textile industry or only of the cotton?
I. I was talking of the whole textile industry.
THE WITNESS: All but the textile trades. That does
not include textile trades and, there may be one or
two small groups in between one and the other.
THE COMMISSIONER: That is all I want to know.
-- Adjourned at 12.30 P.M. to resume at 2 o'clock P.M.

AFTERNOON SESSION

-- The Commission resumed at 2 P.M.

DOUGLAS HALLAM, Re-examination

5 BY MR. McRUER (resumed):

Q. Referring again to Exhibit 623, Mr. Hallam,
my friend filed some correspondence in regard to that
matter; that is Mr. Whitehead's letter in respect to
the mule spun yarn and the ring spun yarn, and your
10 contention apparently was, that indetermining the
protection, the Canadian industry should have, the
cost of mule spun yarn in Canada should be compared as
against the cost of mule spun yarn in England, and
15 the cost of ring spun yarn in Canada with ring spun
yarn in England? A. Yes, that was our contention.

Q. That was the contention, and that is what Mr.
Whitehead said in his letter, that they were supplying
ring spun yarn although mule spun had been ordered.
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MR. KELLOCK: Just let us see what you did say.

THE COMMISSIONER: I am not so sure that that
is the interpretation. Read it again, Mr. McRuér,
that paragraph.

25 MR. McRUER: It reads:

"Most of the English yarns imported into
this country are mule spun yarns and we feel
that we certainly would be disclosing something
to our disadvantage if we informed the Tariff
30 Board that we use ring spun yarns at lower cost

-- The Commission resumed at 2 P.M.

MR. MCKENZIE (resumed):

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.Bored that we use ring spun yarns at lower cost

to our disadvantage if we introduced the tariff

that we certainly would be disclosing something

this country are more spun yarns and we feel

"Most of the English yarns imported into

MR. MCKENZIE: Is there:

that paragraph.

is the interpretation. Read it again, Mr. McKen-

THE COURT: I am not so sure that that

MR. MCKENZIE: Just let us see what you did as

ring spun yarn although more spun had been ordered.

Whitehead said in his letter, that they were supplying

.. That was the contention, and that is what Mr.

yarn in England? A. Yes, that was one contention.

the cost of ring spun yarn in Canada with ring spun

against the cost of more spun yarn in England, and

cost of more spun yarn in Canada should be compared a

protection, the Canadian industry should have, the

contention apparently was, that introducing the

the more spun yarn and the ring spun yarn, and your

matter; that is Mr. Whitehead's letter in respect to

friend filed some correspondence in regard to that

.. Notwithstanding to exhibit to Mr. McKen-

for the same purpose that the Englishman sells
mule spun yarn at higher cost."

Now, if ---

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THE COMMISSIONER: There is another paragraph.

MR. McRUER: It continues:

"The ring spinning cost of yarn will be fully
covered under the cloth costings in which group
they really belong."

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THE COMMISSIONER: There is still another one, Mr. McRu-er.

MR. McRUER: The earlier paragraphs, are:

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, "We have read over your letter of October 31st
very carefully and, in our opinion, feel that it
would be unwise to bring up this question
of ring yarn. As you know, the hearing on these
yarns covers yarns for sale, which yarns covered
by the counts shown go mostly to knitters.

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In England, the practice, we understand,
is to spin these yarns on mules. Here, we spin
some on mules and some on rings, to suit our own
convenience and comply with the customers requests
for mule yarns."

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THE COMMISSIONER: I think that is the expression
that that is doubtful.

MR. McRUER: That may be.

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MR. KELLOCK: It says, my lord, if the customers
specify mule yarn they get it; in that second paragraph,
because it says here:

for the same purpose but the minimum sales

will come from at higher cost.

— 17 —

THE COMMISSIONER: There is another paragraph.

— 18 —

"The ring spinning cost of yarn will be fully

covered under the class costings in which group

they really belong."

THE COMMISSIONER: There is still another one, Mr. Brydie.

— 19 —

"We have read over your letter of October 21st

very carefully and, in our opinion, feel that it

would be unwise to bring up this question

of ring yarn. As you know, the hearing on the

yarn covers yarn for sale, which yarns covered

by the counts shown go mostly to spinners.

In England, the practice, we understand,

is to spin these yarns at mills. Here, we spin

some on mills and some on rings, to suit our own

convenience and comply with the customers' requests

for rule yarns."

THE COMMISSIONER: I think that is the expression

that that is doubtful.

MR. MORRIS: That may be.

MR. KILLOCK: It says, my lord, if the customers

specifically make yarn they get it; in that second paragraph

because it says here:

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"Here, we spin some on mules and some on rings, to suit our own convenience and comply with the customers requests for mule yarns."

5 MR. McRUER: And then it goes on:

"Most of the English yarns imported into this country are mule spun yarns and we feel that we certainly would be disclosing something to our disadvantage if we informed the Tariff Board that we use ring spun yarns at lower cost for the same purpose that the Englishman sells mule spun yarn at higher cost. The ring spinning cost of yarn will be fully covered under the cloth costings in which group they really belong."

10 THE COMMISSIONER: You see there he says, "We use ring spun yarns". I suppose the mills themselves use ring spun yarns, which are cheaper, for the same purpose that the Englishman sells mule spun yarns at higher cost.

MR. McRuer: That may be it, my lord.

MR. KELLOCK: That is, for further manufacture.

15 THE COMMISSIONER: But the fact does remain, that he did not want that disclosed to the tariff Board.

20 BY MR. McRUER: Q. You were present, Mr. Hallam, when all this matter was discussed.

30 THE COMMISSIONER: You see the point there, Mr. McRuer, is not apparently as we thought, but that here in Canada they use ring spun yarns whereas in

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1891

"Here, no spin some on nines and some on rings,
to suit our own convenience and comply with the

Commissioner of the Customs.

MR. MORRIS: And then it goes on:

"Most of the English yarns imported into this

country are made upon yarns and we feel that

we certainly would be obtaining something to

our disadvantage if we informed the Tariff Board

that we use ring spun yarns at lower cost for the

same purpose that the Englishmen sell the same spun

yarn at higher cost. The ring spinning cost

of yarn will be fully covered under the cloth

costings in which group they really belong."

MR. MORRIS: You see those he says, "he

use ring spun yarns." I suppose the mills themselves

use ring spun yarns, which are cheaper, for the same

purpose that the Englishmen sell the same spun yarns

at higher cost.

MR. MORRIS: That may be it, my lord.

MR. KILLICK: That is, for further manufacture.

But the fact does remain,

that he did not want that disclosed to the tariff

BY MR. MORRIS: W. You were present, Mr. Hall

when all this matter was discussed.

THE COMMISSIONER: You see the point there,

Mr. Morris, is not apparently as we thought, but that

that is, that they use ring spun yarns whereas in

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England they use mule spun yarns for the same purpose.
The point is, was it disclosed to the Tariff Board,
or was it thought necessary to disclose it to the
Tariff Board.

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BY MR. McRUER: Q. The matter of ring spun
yarn and mule spun yarn came up and was discussed
before the Tariff Board? A. Yes.

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Q. And Mr. Whitehead and you both took part in
the discussion? A. I don't know whether I did or
not.

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Q. Well, I notice one remark you make, page 626:

"We rather thought that we were looking
a gift horse in the mouth in this case."

A. Oh, yes. That was not in relation to yarns
I don't think, Mr. McRuer.

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Q. Yes, that is what we were discussing?
A. I think we were discussing something entirely
different there.

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Q. Well, it is on the same page anyway,
and you were there? A. I think that was in
connection with some particular cotton fabrics.

Q. Well, you do not suggest that you were not
appearing? A. Oh, I was present.

Q. In the respect to the yarns, and then the
matter comes up and is discussed in this way:

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"MR. HUGHES: That rather raises the question
I asked, whether there are enough mule spinners
in Canada to satisfy the commercial demand
for that particular type.

England they use mule spun yarn for the same purpose.
The point is, was it disclosed to the Tariff Board,
or was it thought necessary to disclose it to the
Tariff Board.
BY MR. McLEOD: A. The matter of ring spun
yarn and mule spun yarn came up and was discussed
before the Tariff Board?
A. Yes.
And Mr. Wisniewski and you both took part in
the discussion? A. I don't know whether I did or
not.
Well, I notice one remark you made, page 286:
"I rather thought that we were looking
a gift horse in the mouth in this case."
A. Oh, yes. That was not in relation to yarn
I don't know, Mr. McLeod.
A. Yes, I don't know whether it was in relation
to the yarn or not. I don't know whether it was
in relation to the yarn or not.
A. Well, it is on the same page anyway,
and you were there? A. I think that was in
connection with the same question.
A. Well, you do not suggest that you were not
appearing? A. Oh, I was present.
In the respect to the yarn, and then the
matter came up in the Tariff Board.
I asked, whether there are any mule spinners
in Canada to satisfy the commercial demand

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for that particular type.

MR. WHITEHEAD: We have actually operating
that we regard as an excessive number of
spindles to supply the commercial demand.

THE CHAIRMAN: To supply the Canadian total
demand for mule spun yarn?

MR. WHITEHEAD: Yes.

THE CHAIRMAN: You have more spindles than are
necessary to do the trick?

MR. WHITEHEAD: We have more than are actually
needed. Those knitters and other manufacturers
in Canada who are willing to pay an advance
for mule spun yarns are very much in the minority.

THE CHAIRMAN: That is, you would have to
charge them more for mule spun yarn than
for ring spun yarn?

MR. WHITEHEAD: Yes."

And Mr. Gordon takes part in it, and then Mr. Lacey,
at the foot of the page, says:

"MR. LACEY: I have never come across any
yarn in Lancashire spun on rings; it is nearly all
spun on mules - any hosiery yarns I have
come across, "

THE WITNESS: My lord, they were discussing sale
yarn in this case.

MR. McRUER: Mr. Lacey continues:

"As a general rule the spinner puts it on the
cone because it costs him about three-sixteenths."

For that particular type.
Mr. Brydie: We have actually operating
that we regard as an excessive number of
spindles to supply the commercial demand.
THE QUESTION: To supply the demand for
demand for white spun yarn?
Mr. Brydie: Yes.
THE QUESTION: You have more spindles than are
necessary to do the thing?
Mr. Brydie: We have more than are actually
needed. These spindles are not other than
in Canada who are willing to pay an advance
for white spun yarn are very much in the minority.
THE QUESTION: That is, you would have to
charge them more for white spun yarn than
for ring spun yarn?
Mr. Brydie: Yes.
And Mr. Gordon takes part in it, and then Mr. Lacey,
at the foot of the page, says:
"Mr. Lacey: I have never come across any
 yarn in Lancashire spun on rings; it is nearly all
 spun on mules - my best yarn I have
 come across."
THE WITNESS: My lord, they were discussing size
 in this case.
Mr. Gordon: Mr. Lacey continues:
 "As a general rule the spinner puts it on the
 ..."

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MR. KELLOCK: I read all that in, my lord.

MR. McRUER: At any rate, the question of ring spun yarns or mule spun yarns would come up either in respect to the cloth hearing or yarn hearing?

A. That is quite correct.

Q. Yes. Then in respect to the cloth hearing it would be an important matter, an important element to put before the Tariff Board.

THE COMMISSIONER: He says there that he uses ring spun yarns for the same purpose of the Englishmen use mule spun yarns?

THE WITNESS: I think in that case, my lord, he is speaking of sale yarn, which was the one under discussion. That is the yarn which he sold for manufacture.

BY THE COMMISSIONER: No, no; what does he make besides yarn itself? A. He makes cloth as well, my lord.

THE COMMISSIONER: Well now, he says there that he uses ring spun yarn where they use mule spun yarn; that is what he says. Read it again, Mr. McRuer.

MR. McRUER: "Most of the English yarns imported into this country are mule spun yarns and we feel that we certainly would be disclosing something to our advantage if we informed the Tariff Board that we use ring spun yarns at lower cost for the same purpose that the Englishman sells mule spun yarn at higher

MR. KILGUS: I read all that in, my lord.

MR. MCKENZIE: At any rate, the question of this

is a question of fact, and it is not a question of law.

In respect to the cloth hearing or yarn hearing?

A. That is quite correct.

Q. Yes. Then in respect to the cloth hearing

it would be an important matter, an important element

to put before the tariff board.

THE COMMISSIONER: He says there that he uses

ring spun yarn for the same purpose of the Englishmen

use white spun yarn.

THE WITNESS: I think in that case, my lord,

he is speaking of self yarn, which was the one under

discussion. That is the yarn which he sold for

manufacture.

BY THE COMMISSIONER: No, no; what does he

make besides yarn itself? A. He makes cloth

as well, my lord.

THE COMMISSIONER: Well now, he says there that

he uses ring spun yarn where they use white spun yarn;

that is what he says. Read it again, Mr. McKenzie.

MR. MCKENZIE: Most of the English yarns imported

into this country are white spun yarns and

we feel that we certainly would be disclosing

something to our advantage if we informed the

Tariff Board that we use ring spun yarns at

least with the same purpose that the

Englishmen use white spun yarn for their

cost."

THE COMMISSIONER: You see he says there "We use ring spun yarns...."

5 MR. KELLOCK: The first paragraph, my lord, - the second sentence in the first paragraph:

"As you know, the hearing on these yarns covers yarns for sale, which yarns covered by the counts shown go mostly to knitters."

10 So he is speaking about yarn for sale.

THE WITNESS: The correspondence shows that, my lord, that we were discussing yarns for sale.

15 THE COMMISSIONER: In that case it would be something different.

MR. KELLOCK: That would be the interpretation I would put on it, my lord.

20 THE COMMISSIONER: Mr. McRuer may be right in his interpretation. This may be yarn for sale. Why does he go on and say that we use ring spun yarns at lower cost for the same purpose that the Englishman sells mule spun yarn at higher cost?

25 MR. KELLOCK: I suppose, my lord, it may mean not only in his own factory, when he comes to make cloth, - he supplies it.

THE COMMISSIONER: You see, you get back to the making of the cloth.

30 MR. KELLOCK: Well, subject to your Lordship's direction, I respectfully submit that the first paragraph of his letter shows what he is talking about.

THE COMMISSIONER: You see he says "there" is the
ring again, yes...."

MR. KELLICK: The first paragraph, my lord, -
the second sentence in the first paragraph:

"As you know, the hearing on these yarns
covers yarns for sale, which yarns covered by the
counts shown go mostly to knitters."
So he is speaking about yarn for sale.

THE COMMISSIONER: The correspondence shows that,
my lord, that we were discussing yarns for sale.
THE COMMISSIONER: In that case it would be some-
thing different.

MR. KELLICK: That would be the interpretation
I would put on it, my lord.

THE COMMISSIONER: Mr. Kellick may be right in
his interpretation. This may be yarn for sale.
Why does he go on and say "that we are ring spun
yarns at lower cost for the same purpose that the
Englishman sells more spun yarn at higher cost?"

MR. KELLICK: I suppose, my lord, it may be
not only in his own factory, when he comes to make
clothes, - he supplies it.

THE COMMISSIONER: You see, you got back to the
making of the cloth.

MR. KELLICK: Well, my lord, I am not sure
whether I am right or wrong, but I think
that the yarn is made in the factory.

and my submission is that when he uses the word
"Use" later on he means supply.

5 THE COMMISSIONER: Well, if that is what he means,
I should like to be advised whether he disclosed that
fact in this record which is before the Tariff Board.

MR. KELLOCK: Well, the evidence is in, my lord.

10 THE COMMISSIONER: It has not got the slightest
bearing on the statement that he makes here, and that
is the use he puts the ring spun yarn to.

MR. KELLOCK: My lord, if you read pages 630
and 631, he does discuss that very thing.

THE COMMISSIONER: Page 630?

15 MR. KELLOCK: Yes, my lord:

"THE CHAIRMAN: Is there any substantial
importation of mule spun yarns from the United
Kingdom for knitting in Canada?"

20 THE COMMISSIONER: All right. I want to know
if that is the only place that you suggest this
was disclosed to the Tariff Board.

25 MR. KELLOCK: "THE CHAIRMAN: Is there any
substantial importation of mule spun yarns from the
United Kingdom for knitting in Canada?"

MR. GORDON: There are substantial importations
under the item, and if Mr. Lacey is correct
in saying that all hosiery yarn is mule spun, then
it must be mule spun yarn. We have the figures.

30 MR. LACEY: In the fiscal year 1934-35, 359,000
pounds weight of single yarns for use in the

and my submission is that when he uses the word

"used" later on he means simply.

THE COMMISSIONER: Well, it is what he says.

I should like to be advised whether he disclosed the

fact in this record which is before the Tariff Board.

MR. KILBICK: Well, the evidence is in, my Lord.

THE COMMISSIONER: It has not got the slightest

bearing on the statement that he makes here, and the

is the use he puts the ring spun yarn to.

MR. KILBICK: My Lord, if you read pages 859

and 861, he does discuss that very thing.

THE COMMISSIONER: Page 860?

MR. KILBICK: Yes, my Lord.

THE COMMISSIONER: Is there any substantial

importation of mule spun yarn from the United

Kingdom for knitting in Canada?

THE COMMISSIONER: All right. I want to know

if that is the only place that you suggest this

was disclosed to the Tariff Board.

MR. KILBICK: "THE COMMISSIONER: Is there any

substantial importation of mule spun yarn from the

United Kingdom for knitting in Canada?

MR. KILBICK: That is the only place that

under the item, and if Mr. Lacey is correct

in saying that all hosiery yarn is mule spun, then

it must be mule spun yarn. We have the figures.

MR. LACEY: In the fiscal year 1914-15, 559,000

pounds weight of single yarn for use in the

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hosiery industry were imported from the United Kingdom. That would be all mule spun."

MR. GORDON: From what source is that figure taken?

MR. LACEY: From the Canadian trade returns.

MR. GORDON: We have 381,000. It does not vary greatly.

THE CHAIRMAN: Do you sell yarn to knitters?

MR. GORDON: Yes.

THE CHAIRMAN: You sell ring spun yarn to them?

MR. GORDON: We sell a certain amount of mule spuns.

The mules are used chiefly for the purpose of producing certain effects in the blending of different colours - our heather mixtures and fancier types of hosiery yarn. The great bulk of the hosiery yarn is ring spun, soft twist.

THE CHAIRMAN: Are we to compare the Canadian ring with the United Kingdom mule?

MR. GORDON: I do not think it would be a fair comparison, because where mule spun yarn is asked for in the trade here, we are prepared to supply it. Mr. Whitehead claims that

he has ample capacity for that purpose, if it is the Canadian market that is under consideration. That is a matter for you to decide."

That is the point, my lord.

BY MR. McRUER: Q. Now, where does that disclose this matter that Mr. Whitehead told us was to their disadvantage; what is the matter in that paragraph,

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history industry were imported from the United Kingdom. That would be all right.

MR. GORDON: From what source is that figure taken?
MR. GORDON: From the Canadian trade returns.
MR. GORDON: He has 251,000. It does not vary.

THE CHAIRMAN: Do you sell yarn to knitwear?

THE CHAIRMAN: You sell ring spun yarn to them?

MR. GORDON: A self a certain amount of knitwear.
The knives are used entirely for the purpose of
producing certain effects in the blending of
different colours - our neater mixtures and
finer types of history yarn. The great bulk
of the history yarn is ring spun, ring twist.
THE CHAIRMAN: And we to compare the Canadian
ring with the United Kingdom ring?

MR. GORDON: I do not think it would be a fair
comparison, because where more open yarn is
needed for in the trade here, we are prepared
to supply it. Mr. Whitehead claims that
he has ample capacity for that purpose, if it is
the Canadian market that is under consideration.
That is a matter for you to decide."

That is the point, my lord.

BY MR. WHITEHEAD: Now, where does that disclose

this matter that Mr. Whitehead told us was to their
disadvantage; what is the matter in the paragraph,

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Mr. Hallam, that you suggest -- A. Could I see the record, Mr. McRuer?

Q. I cannot make any sense out of that suggestion, disclosing the contents of Mr. Whitehead's letter to the Tariff Board. A. Yes. Mr. Gordon here makes the statement, - we were discussing hosiery yarn, my lord, and the correspondence following shows that.

BY THE COMMISSIONER: Q. You mean the making of hosiery yarn? A. Yes, my lord.

Q. You are sure of that? A. Yes, sir, that is what we were discussing with Mr. Gordon here.

Q. Was that an application by the British makers of hosiery yarns? A. It was by the makers of hosiery yarn, and other yarn, and cloth, all at the same time.

Q. And cloth too? A. And cloth too, my lord.

THE COMMISSIONER: Oh, I see. There again, Mr. Kellock, you must not give that narrow view to Mr. Whitehead's letter.

MR. KELLOCK: Except he says so, my lord.

THE COMMISSIONER: Am I not to believe Mr. Hallam? He says cloth and sale yarn. Now, which shall it be?

THE WITNESS: This particular part of the hearing, my lord --

THE COMMISSIONER: I know, the hearing included several things, several parts, and part of it was on yarn.

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Mr. Hallam, that you suggest -- A. Could I see

the record, Mr. McNamara?

A. I cannot make any sense out of that suggestion.

discussing the contents of Mr. Whitcomb's letter to

the Tariff Board. A. Yes. Mr. Gordon here makes

the statement, -- we were discussing woolen yarn, and

my lord, and the correspondence following shows that

Mr. McNamara says, -- we were discussing woolen yarn,

of woolen yarn? A. Yes, my lord.

A. You are sure of that? A. Yes, my lord.

is what we were discussing with Mr. Gordon here.

A. Yes, that an application by the British makers

of woolen yarn? A. It was by the makers of

woolen yarn, and other yarn, and cloth, all at the

same time.

A. And cloth too? A. And cloth too, my lord.

THE COMMISSIONER: Oh, I see. There again,

Mr. McNamara, you must not give that narrow view to

Mr. McNamara's letter.

MR. McNAMARA: Except he says so, my lord.

THE COMMISSIONER: Am I not to believe Mr. McNamara

he says cloth and wool yarn. Now, which shall it

be?

THE WITNESS: This particular part of the hearing,

my lord --

THE COMMISSIONER: I know, the hearing included

several things, several parts, and part of it was

the yarn.

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Hallam

THE WITNESS: Yes, my lord, and cloth.

THE COMMISSIONER: Well, you say yarn and cloth,
and if we take that established as a fact, we have
5 Mr. Whitehead saying here that they use ring spun
yarns at lower cost for the same purpose that the
Englishman sells mule spun yarns at higher cost,
and apparently Mr. Whitehead did not want to discuss
that thing, that is, that in making his cloth he
10 was using ring spun yarn and the Englishman was using
mule spun yarn.

THE WITNESS: I do not think that was correct,
my lord.

15 THE COMMISSIONER: I do not think we need say
anything more about it, because we will have Mr.
Whitehead tell us what he meant by that, if he can.

MR. KELLOCK: My lord, my submission is where
the reference covers certain things and Mr. Whitehead
20 is speaking in his letter of yarn, that there he
means yarn for sale.

THE COMMISSIONER: In that one sentence.

MR. KELLOCK: That is all my friend is talking
25 about.

THE COMMISSIONER: Well, he can explain his
desire to conceal something from the Tariff Board.
He certainly wanted to conceal something.

30 MR. KELLOCK: I am not trespassing again, my
Lord, as pointed out yesterday, I understand that

THE WITNESS: Yes, my lord, and also.

THE COMMISSIONER: Well, you say you and also.

and if we take that established as a fact, we have

Mr. Whithead saying now that they are right again

years at lower cost for the same purpose than the

Englishman said also upon years at lower cost,

and apparently Mr. Whithead did not want to discuss

that thing, that is, that in making his cloth he

was using less yarn and the Englishman was using

more yarn.

THE WITNESS: I do not think that was correct.

THE COMMISSIONER: I do not think we need say

anything more about it, because we will have Mr.

Whithead tell us what he meant by that, if he can.

MR. KILGORE: My lord, my submission is there

the reference covers certain things and Mr. Whithead

is speaking in his letter of yarn, that there he

THE COMMISSIONER: In that one sentence.

MR. KILGORE: That is all my friend is talking

about.

THE COMMISSIONER: Well, he can explain his

desire to conceal something from the jury board.

He certainly wanted to conceal something.

MR. KILGORE: I am not expressing again, my

lord, as pointed out yesterday, I understood that

the cost in Canada of the production of both mule and ring was higher than the cost of ring in Great Britain, and if you compare mule to mule --

5 THE COMMISSIONER: I am told it was 39 and 29 in Canada, and 25 and 24 in Great Britain.

10 MR. KELLOCK: The conditions change so, my lord, that the difference between the cost of mule in Canada and in Great Britain was not as great as the difference between the cost of ring in Great Britain and in Canada.

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20 (Page 8805 follows)

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Helena

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the cost in Canada of the production of both rails and
ring was higher than the cost of ring in Great
Britain, and if you compare rails to wire --

THE COMMISSIONER: I am told it was 24 and 25

in Canada, and 24 in Great Britain.

MR. KELLOCK: The conditions change so, I fear,

that the difference between the cost of wire in Canada
and in Great Britain was not as great as the difference
between the cost of ring in Great Britain and in

(page 8803 follows)

THE COMMISSIONER:

If there is any doubt about what he wanted to state we will find out from him. That does not affect you, Mr. Hallam, or anybody else. It affects Mr. Whitehead.

A. Thank you, my lord.

5 BY MR. McRUER: Q. Now, in presenting the costs of the industry to the Tariff Board you said you had made a good many suggestions and surveys of costs; you told my friend that? A. I have done from time to time.

10 Q. And that you, I think, were instrumental in preparing the costs that were to be submitted to the Tariff Board? A. Those costs were actually prepared by the cost accountants.

15 Q. But in co-operation with your office? A. Yes, they came through our office.

Q. And the costs that you submitted to the Tariff Board purported to be the costs of the manufacturers in this industry? A. Exactly.

20 MR. KILLOCK: You are speaking of the cotton industry?

BY MR. McRUER: Q. I am dealing with cotton? A. Correct.

25 Q. The costs you submitted purported to be, and you intended the Tariff Board to believe that they were actual costs of the companies? A. Yes.

Q. Now, there is no mistake about that, you are not misunderstanding, that you intended the Tariff Board to believe they were actual costs that tied in with the records of the companies? A. Yes, I think we stated that.

30 Q. Yes, you stated that to the Tariff Board

If there is any doubt about what he wanted to state

we will find out from him. That does not affect you

Mr. Hallam, or anybody else. It affects Mr. Whitehead.

A. Thank you, my lord.

BY MR. MORTIMER: Q. Now, in presenting the costs

of the industry to the Tariff Board you said you had

made a good many enquiries and surveys of costs; you

told my friend that?

A. I have come from

time to time.

Q. And that you, I think, were instrumental

in preparing the costs that were to be submitted to

the Tariff Board?

A. Those costs were actually

prepared by the cost accountants.

Q. But in co-operation with your office?

A. Yes, they came through our office.

Q. And the costs that you submitted to the

Tariff Board purported to be the costs of the manufacturers

in this industry?

A. Exactly.

BY MR. MORTIMER: Q. I am dealing with cotton?

A. Yes.

Q. The costs you submitted purported to be, and

you intended the Tariff Board to believe that they were

actual costs of the companies?

A. Yes.

Q. Now, there is no mistake about that, you are

bound to believe they were actual costs that tied in

with the records of the companies?

A. Yes, I think

as stated that.

A. Yes, you stated that to the Tariff Board

and you criticized the British that they were not checking back to find out if they did tie in with their financial records? A. I think we brought that forward too.

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Q. You brought it forward as an objection?

A. I think we asked those questions, whether they were tied in.

Q. I am told you did? A. Yes, that would be correct.

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Q. And you said your organization checked up on rulings of the Customs Department as to whether articles were of a class or kind made in Canada; that is right? A. Did not check up, we obtained information from them.

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Q. You obtained information? A. Yes, when they made rulings.

Q. And when you found that they had ruled that a certain article was of a class or kind not made in Canada that was communicated to the respective mills?

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A. Yes.

Q. And was it not a fact that mills on many occasions commenced making those articles after having received this information? A. I suppose there have been cases where they have been made after they received that information.

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Q. After receiving information that the Customs Department had ruled that a certain article is of a class or kind not made in Canada then they commenced to make them? Then, you go back to the Customs Department --

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and you criticized the British that they were not doing
back to find out if they are in with their
financial records? A. I think so but I don't
that forward too.
Q. You brought it forward as an objection?
A. I think we asked those questions, whether they were
in.
Q. I am told you did? A. Yes, that would be
correct.
Q. And you said your organization checked up
on rulings of the Customs Department as to whether
articles were of a class or kind made in Canada; that
is right? A. Did not check up, we obtained
information from them.
Q. You obtained information? A. Yes, when
they made rulings.
Q. And when you found that they had ruled that a
certain article was of a class or kind not made in
Canada that was communicated to the respective officials?
A. Yes.
Q. And was it not a fact that mills on many
times received this information?
A. I suppose there
have been cases where they have been made after they
received this information.
Q. After receiving information that the Customs
Department had ruled that a certain article is of a
class or kind not made in Canada then they commenced
to make them? Then, you go back to the Customs

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THE COMMISSIONER: He has not answered that question.

BY MR. McRUER: Q. Is that true? A. I am

not quite certain that goods of a class or kind not made in Canada were subsequently made in Canada.

5 Q. I mean after the ruling had been made they were of a class or kind not made in Canada then they commenced to make them? A. Sometimes, afterwards.

10 Q. Then, you would go back to the Customs Department for a ruling that they were of a class or kind made in Canada? A. Yes, provided that we could make a case.

15 THE COMMISSIONER: What is the section of the act you have in mind now under which these rulings were made? It is not 43?

MR. BERRY: It involved several sections of the customs laws. There are some tariff items which allow especially advantageous entry of goods of a class or kind not made in Canada. That is one means whereby--

20 MR. McRUER: The currency dumping section.

THE COMMISSIONER: Do you remember the section?

MR. BERRY: As an example, tariff item 564.

25 MR. McRUER: The number of the section; the section that deals with currency dumping. When the special valuation of the yen is on, for instance, it only applies to articles of a class or kind not made in Canada; that is correct? A. Yes, that is correct, all dumping laws..

30 BY THE COMMISSIONER: Q. Only protects articles of a class or kind made in Canada? A. That is correct, my lord.

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W. J. H.

THE CHAIRMAN: He has not answered that question.
BY MR. KENNEDY: Is that true?
THE CHAIRMAN: Not quite certain that goods of a class or kind not made in Canada were subject matter made in Canada.
BY MR. KENNEDY: I mean after the ruling had been made they were of a class or kind not made in Canada then they came to be subject matter.
A. Satisfied, afterwards.
THE CHAIRMAN: You would go back to the Customs Department for a ruling that they were of a class or kind made in Canada?
A. Yes, provided that we could make it.
THE CHAIRMAN: That is the section of the act you have in mind now under which those rulings were made?
A. It is not 437.
THE CHAIRMAN: It involves several sections of the Customs laws. There are some tariff items which allow especially advantageous entry of goods of a class or kind not made in Canada. That is one meaning.
MR. KENNEDY: The customs duty section.
THE CHAIRMAN: To you whether the goods of a class or kind not made in Canada, tariff item 564.
MR. KENNEDY: The number of the section; the section that deals with duty-free goods. When the special valuation of the year is on, for instance, it only applies to articles of a class or kind not made in Canada; that is, that is the section.
THE CHAIRMAN: Yes, that is the section.
MR. KENNEDY: Yes, that is the section.
THE CHAIRMAN: Yes, that is the section.
MR. KENNEDY: Yes, that is the section.
THE CHAIRMAN: Yes, that is the section.

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THE COMMISSIONER: What is your contention, Mr. McRuer, that when the article was ruled to be of a class or kind not made in Canada that steps were taken to make a few of them to pretend they were made in Canada.

5 MR. McRUER: Well, it rather looks like what they were doing.

Q. That would be what they were doing? A. I don't think that would be quite correct.

10 BY THE COMMISSIONER: Q. You don't think that statement is justified? A. I don't think it is justified, my lord.

15 BY MR. McRUER: Q. Well, if they were not making it prior to the ruling why would they start to make it after the ruling had been made because the market would be the same before the ruling and after the ruling? A. It may have been it was drawn to their attention.

20 Q. Just drawn to their attention? A. Yes, and they switched and changed production. They don't produce the same thing six months from now and six months from then. They change their production.

Q. Now, have you found the correspondence in respect to these hosiery agreements? A. No, Mr. McRuer.

25 Q. None at all? A. No.

Q. Of all the complaints you would have in regard to people selling without a license and all that sort of thing you produce no correspondence at all?

A. I think I explained to you, Mr. McRuer, before that I didn't keep that correspondence.

30 Q. I see, well -- A. As I cleaned it up I let it go.

THE COMMISSIONER: That is your contention, Mr.

McNair, that when the article was ruled to be of a class
or kind not made in Canada that steps were taken to make
a few of them to pretend they were made in Canada.

MR. McNAIR: Well, it rather looks like what they

were doing.

Q. What would be what they were doing

you think that would be quite correct.

THE COMMISSIONER: I am not sure that it is

A. I don't think it is justified.

my lord.

BY MR. McNAIR: Well, if they were not making it

after the ruling why would they start to make it

after the ruling had been made because the market would

be the same before the ruling and after the ruling.

A. It may have been it was drawn to their attention.

Q. Just drawn to their attention?

and they switched and changed production.

produce the same thing six months from now and six months

from then. They change their production.

Q. Now, have you found the correspondence in respect

to these forestry agreements?

A. None at all?

Q. Of all the complaints you would have in respect

to people selling without a license and all that sort

of thing you produce no correspondence at all?

A. I think I explained to you, Mr. McNair, before

that I have not any correspondence.

Q. I see, well -- A. As I closed it up I let

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Q. You told me you would look for it, and it is strange when there is so much of your other correspondence kept that when we come to that particular matter operating just this last year we haven't got any?

5 A. Yes, that is quite correct; it was not kept. I mean, was there any necessity for me to keep it?

Q. It is not any question to ask me at all. You have kept your other correspondence on almost any other matter I asked for? A. A good many things.

10 Q. Did you find today a copy of the article that we were discussing this morning? A. Was that found, Mr. Berry?

15 Q. Or not a copy of the article, a copy of the notice that was sent out to the silk trade about production?

THE COMMISSIONER: That is the warning?

18 MR. McRUER: Yes. A. We have not found that, my lord. We will do our best to find it. We have searched our files and we will continue to, and we will find out whether any of the mills have got it.

20 BY THE COMMISSIONER: Q. You would expect some of them would answer you about it? A. I sent out a lot of material - I have one here on August 29, 1934 I sent out.

25 Q. On that same subject? A. On the same subject, my lord; this is August 29, 1934 and February 1935.

THE COMMISSIONER: Perhaps you better see that, Mr. McRuer.

30 MR. McRUER: Yes.

BY THE COMMISSIONER: Q. This is another one?

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Q. You told me you would look for it, and it is
strange when there is so much of your other correspondence
kept that when we come to that particular letter
operating just this last year we haven't got any?
A. Yes, that is quite correct; it was not kept. I mean,
was there any necessity for me to keep it?
Q. It is not any question to ask me at all.
You have kept your other correspondence or almost any
other matter I asked for? A. A good many things.
Q. Did you find today a copy of the article that
we were discussing this morning? A. Not to
found, Mr. Barry?
Q. Or not a copy of the article, a copy of the
notice that was sent out to the silk trade about a month
long?
Q. THE COMMISSIONER: That is the warning?
MR. MONROE: Yes. A. We have not
found that, my lord. We will do our best to find it.
We have searched our files and we will continue to,
we will find out whether any of the files have got it.
BY THE COMMISSIONER: You would expect some
them would answer you about it? A. I would not
a lot of material - I have one here on August 22, 1904 I
sent out.
Q. On that same subject?
A. On the same
subject, my lord. This is what we have found.
The same subject, my lord, and that is all.
Q. CHURCH: Yes.
A. THE COMMISSIONER: It will be enough, my lord.

A. This was sent out on August 29th.

Q. What year?

MR. McRUER: 1934. A. This was a preliminary thing.

5 THE COMMISSIONER: I will take a note of that; it will be exhibit 661.

EXHIBIT NO. 661: Letter from Mr. Hallam to Mr. Marx dated August 29, 1934.

THE COMMISSIONER: It is a letter from whom?

10 MR. McRUER: From Hallam to Marx dated August 29th, 1934. A. It is a flimsy, it would go out to a number of them.

Q. You say it would go out to a number of mills?

A. Broad silk mills.

15 Q. To the broad silk mills? A. Yes, it would be made on a flimsy because we can cover it on a flimsy.

20 Q. It reads: "Dear Sir: We are receiving reports "that apparently silk piece goods are not moving as fast as expected and that there may be considerable danger that stocks will begin to increase beyond a healthy limit. This office is not in a position at the moment to state whether this information is accurate or not, but we are attaching the comparative reports from January to July in 1933 and 1934".

25 And I take it that the object of sending this out was to keep stocks at what you call a healthy limit?

30 A. That is correct, Mr. McRuer.

Q. The health being at a stage where the price

A. This was sent out on August 29th.

MR. McNEIL: 1934.

thing.

will be exhibit 661.

EXHIBIT NO. 661:

Letter from Mr. William to
Mr. Marx dated August 29,
1934.

THE COMMITTEE: It is a letter from whom?

MR. McNEIL: From William to Marx dated August 29th.

1934.

A. It is a Timmy, it

would go out for a number of them.

A. You say it would go out for a number of Timmies.

A. Broad silk Timmy.

A. To the broad silk Timmy?

A. Yes, it

would be made on a Timmy because we can cover it on

a Timmy.

A. It reads: "Dear Sir: We are receiving reports

"that apparently silk piece goods are not moving

as fast as expected and that there may be considerable

able danger that stocks will begin to increase

beyond a healthy limit. This office is not in a

position at the moment to state whether this is in-

correct or not, but we are observing the

comparative reports from January to July in 1934

and 1934".

keep stocks at what you call a healthy limit?

A. That is correct, Mr. McNEIL.

A. The health being at a stage where the price

would be satisfactory to the industry; that would be the case? A. That might be your inference.

Q. Well, is it not a correct inference?

A. I don't think I would put it quite that way, but that stocks should be kept at a level which was in keeping with the market.

Q. To keep, to maintain what you would call π healthy prices? A. Maintain prices at which the mills could operate.

Q. In a healthy way? A. In a healthy way; I think that is quite correct.

Q. Of course, the condition of the health of these mills -- I know sometimes people can give you a very distorted idea of the condition of their own health. I have a letter from Mr. Watson to the Honourable Mr. Bennett dated April 13, 1931.

THE COMMISSIONER: Exhibit 662.

EXHIBIT NO. 662: Letter from P.R. Watson to Rt. Hon. R.B. Bennett dated May 13, 1931.

MR. McRUER: Yes, my lord; which sets out the tariff that your association apparently felt --

THE COMMISSIONER: What date did you say?

MR. McRUER: May 13, 1931.

MR. KELLOCK: Is it May or April; you said April first.

MR. McRUER: May, I beg your pardon; that your Association felt it should have in respect to silk fabrics, or artificial silk fabrics, rather, covered by tariff item 561? A. That is what that letter is.

Q. Had this been a matter of consultation with you

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1911

would be satisfactory to the industry; that would be

the case?

A. That might be your intention?

A. I don't think I could put it quite that way, but

that is what I should be kept at a level which was in

keeping with the market.

A. To keep, to maintain what you would call a

healthy price?

the mills could operate.

A. In a healthy way?

think that is quite correct.

A. Of course, the condition of the health of

these mills -- I know sometimes people can give you a

very distorted idea of the condition of their own health.

I have a letter from Mr. Brown to the Honorable Mr.

Parsons dated April 13, 1911.

THE COMMISSIONER: Exhibit 682.

EXHIBIT NO. 682: Letter from Mr. Brown to

Hon. Mr. Parsons dated

April 13, 1911.

Mr. Parsons: Yes, my lord; when you read out the letter

that you mentioned previously, you will

see that the mills are in a healthy way.

Mr. Parsons: May I, my lord?

Mr. Parsons: Is it my or your? You said April

first.

Mr. Parsons: May I beg your pardon; that your

Association felt it should have in respect to silk

fabrics, or artificial silk fabrics, rather, covered by

tariff laws?

At the time of the tariff revision, the silk

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before the letter was sent out to Mr. Bennett?

A. I would think so, I would think so.

Q. Now, we will have on record what your association - what protection you had at that time.

5 Why were you going back and asking for greater protection in May of 1931? A. Because the duty rates, if I remember rightly, on artificial silk yarn were higher than ~~the~~ we had expected when we put the previous brief in.

10 Q. You had put a brief in in August and then the Government gave the yarn manufacturers greater protection than you expected; then, you came back the following May for still more protection for the fabric manufacturers? A. Yes, and it was not given to us.

Q. Did you not get any increase?

A. I can tell you in one minute.

Q. Mr. Berry shakes his head, at any rate?

20 A. These are matters of record, Mr. McRuer.

Q. Yes. A. No, we did not get any.

Q. You did not get any increase?

A. No.

25 Q. What Mr. Watson asks for here is "We would respectfully urge that in the present tariff revision that the tariff item under which these goods are imported, 561, be increased to the following rates: British preference 40% and 30 cents a pound".

THE COMMISSIONER: Instead of what?

30 BY MR. McRUER: Q. Instead of what?

before the latter was sent out to Mr. Bennett?

A. I would think so, I would think so.

Q. Now, we will have on record what you

association - what protection you had at that time.

Why were you going back and asking for greater

protection in May of 1901?

A. Because the only rates, if I remember rightly, on artificial silk

yarn were higher than the we had expected when we had

the previous order in.

Q. You had put a bid in in August and then

the Government gave the yarn manufacturers greater

protection than you expected; then, you came back

the following May for still more protection for the

fabric manufacturers?

A. Yes, and it was not given to us.

Q. Did you not get any increase?

A. I can tell you in one minute.

Q. Mr. Barry shakes his head, as any other

These are matters of record, Mr. McNair.

A. Yes. A. No, we did not get any.

Q. You did not get any increase?

Q. What Mr. Watson asks for here is "we would

respectfully urge that in the present tariff revision

the tariff item under which these goods are

imported, 501, be increased to the following rates:

British preference 40¢ and 30 cents a pound."

THE COMMISSIONER: Instead of what?

BY MR. McNair: Instead of what?

A. It was at that time, my lord, 27½% and 30 cents a pound.

Q. You wanted it made what?

A. That was less ten in each case.

Q. 40% and what? A. 30 cents a pound.

Q. And 30 cents a pound, that is the British preference; intermediate, 47½% and 40 cents a pound.

BY THE COMMISSIONER: Q. Instead of what?

A. The tariff rate at that time was 40% and 40 cents a pound.

Q. That would mean the 40 cents a pound was less as it was? A. Less the 40 cents a pound as it was and added 7½% on the intermediate.

BY MR. McRUER: Q. General, 47½% and 40 cents per pound.

BY THE COMMISSIONER: Q. Instead of what?

A. 45% and 45 cents a pound.

Q. You would make it what?

A. 47½% and 40 cents a pound; it was a reduction on the specific and an increase in the ad valorem.

BY MR. McRUER: Q. The reason for that is set out: "The first three months of 1931 there were

imported into Canada from all countries woven fabrics wholly or in part of artificial silk to the extent of 4,567,937 yards, valued at \$1,415,779".

THE COMMISSIONER: Is that in the letter?

MR. McRUER: Yes.

THE COMMISSIONER: Valued at how much?

A. It was at that time, my Lord, 2 1/2% and 30 cents a pound.

Q. What was it then?

A. That was for in each case.

Q. 40% and what? A. 30 cents a pound.

Q. And 30 cents a pound, that is the British preference; intermediate 4 1/2% and 40 cents a pound.

BY THE COMMISSIONER: Q. Instead of what?

A. The tariff rate at that time was 40% and 40 cents a pound.

Q. What would mean the 40 cents a pound was

less as it was? A. Less the 40 cents a

pound as it was and added 7 1/2% on the intermediate.

BY MR. MONTGOMERY: A. Generally, 4 1/2% and 40 cents

per pound.

BY THE COMMISSIONER: Q. Instead of what?

A. 40% and 40 cents a pound.

Q. You would make it what?

A. 4 1/2% and 40 cents a pound; it was a reduction on

the tariff and an increase in the ad valorem.

BY MR. MONTGOMERY: Q. The reason for that is not

out; "The first three months of 1931 there were

imported into Canada from all countries

woven fabrics wholly or in part of artificial

silk to the extent of \$1,537,937 yards.

valued at \$1,513,770.

THE COMMISSIONER: Is that in the letter?

BY MR. MONTGOMERY: Yes.

THE COMMISSIONER: Valued at how much?

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MR. McRUER: \$1,415,779.

THE WITNESS: Wholly or in part of, it is the artificial silk item, 561.

5 MR. McRUER: "These materials were of a class and kind which can be produced in Canada to advantage and of a quality equal to the imported articles. If these goods had been produced in Canada by Canadian labour there would have been a great deal more employment in the mills of Canada. 10 Of the total imports 1,541,330 yards, valued at \$202,045 entered from Japan."

There apparently was very much more goods coming in from Japan in 1931 than were coming in in 1936?

15 A. What is that figure?

Q. 1,541,330 yards of a value of \$202,045?

A. ~~Yes~~ I think in the first 8 months of this year that yardage has come in.

Q. Well, about four hundred and some odd 20 thousand pounds for the whole year is the figure you gave us yesterday?

A. Yes, for the whole year, but the yardage up to date would approximately be--

Q. It depends a little on the weight?

25 A. Yes, I am taking it on a low calculation, would be about 1,400,000 yards in the first 8 months.

Q. "These Japanese goods in the main are in competition as to quality, not only with Canadian produced cloth, but also with cloth 30 produced in other countries. While the

Q. Now, the value of the goods in the

the goods: wholly or in part of, it is the

the goods: wholly or in part of, it is the

Q. Now, the value of the goods in the

kind which can be produced in Canada to advantage

and of a quality equal to the imported articles.

if those goods had been produced in Canada by

Canadian labour there would have been a great

deal more employment in the mills of Canada.

Of the total imports of \$1,500,000 goods, valued at

the goods: wholly or in part of, it is the

There apparently was very much more goods coming in

from Japan in 1901 than were coming in in 1899?

Q. What is that figure?

Q. I, \$1,500,000 value of a value of \$200,000?

Q. Now I think in the first 3 months of this year

that percentage has come in.

Q. Well, about four hundred and some odd

thousand pounds for the whole year is the figure you

give me yesterday?

A. Yes, for the whole year, but the percentage up to

here would approximately be--

Q. It exceeds a little on the weight?

A. Yes, I am taking it on a low calculation, would

be about 1,400,000 yards in the first 3 months.

Q. These Japanese goods in the main are in

the goods: wholly or in part of, it is the

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the goods: wholly or in part of, it is the

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"Japanese imports represent a third of the total, they only represent one-seventh of the value, which indicates the extremely low prices at which these cloths are being offered from Japan. The competition from Japan has been increasing since the September revision and the imports from this country have been increasing as compared to imports from other countries."

Now, Mr. Hallam, how did you get the flow stopped from Japan if you did not get any increase in tariff?

A. I don't know whether it was stopped or not.

Q. You know perfectly well that it was stopped?

A. Eventually there was a fixed valuation put on.

Q. Instead of getting the entire item increased you got a fixed valuation put on?

A. From Japan.

Q. On artificial silk, of \$1.25 a pound?

A. That is correct.

BY THE COMMISSIONER: Q. That is under section 43?

A. That is under section 43. What year is this we got that in?

MR. McRUER: It is in May, 1931 - oh, I don't know when the fixed valuation came on offhand.

THE COMMISSIONER: The letter is in May, 1931.

MR. McRUER: Yes.

THE COMMISSIONER: I suppose Mr. Berry would remember that.

MR. McRUER: Well, we have had it, Mr. Hooper has given it on the record.

"Japanese imports represent a third of the total
they only represent one-seventh of the value,
which indicates the extremely low prices at
which these goods are being offered from Japan.
The competition from Japan has been increasing
since the September revision and the tariff
from this country have been increasing as
compared to imports from other countries."
Now, Mr. Hallett, how did you get the flow stopped
from Japan if you did not get any increase in tariff?
A. I don't know whether it was stopped or not.
Q. You say that the tariff was not increased?
A. Eventually there was a fixed valuation put on.
Q. Instead of getting the entire item increased
you got a fixed valuation put on?
A. From Japan.
Q. On artificial silk, or \$1.25 a pound?
A. That is correct.
BY THE COMMISSIONER: That is under section 48?
A. That is under section 48.
What year is this we got that in?
MR. MONTGOMERY: It is in May, 1931 - oh, I don't
know when the fixed valuation came on artificial
silk. THE COMMISSIONER: The letter is in May, 1931.
MR. MONTGOMERY: Yes.
THE COMMISSIONER: I suppose Mr. Barry would
know. MR. MONTGOMERY: Well, we have had it, Mr. Hooper
has given it on the record.

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THE WITNESS: It is on record, my lord.

THE COMMISSIONER: I would like to know now just when it was. I will just wait till Mr. Berry comes in. We know when this application was made and rejected. Now, I would like to know, while we are at it, when the new barrier was put up by means of a fixed valuation?

THE WITNESS: I think, my lord, in that connection it might be interesting to just check on the point that when fixed valuations are enforced the currency dumping legislation is not enforced. I think that ought to be brought to your attention so as to check on this accurately - talking from memory--

Q. Then, what you say means this, when the fixed valuation, arbitrary valuation is put on under section 43 it is just put in Canadian dollars and cents without regard--

A. That is so, but I thought that ought to be on the record to check with its accuracy; I am just talking from memory.

MR. McQUEEN: The fixed valuation under section 43, Order-in-Council 3013, December 12th, 1931. That is stated in Exhibit 125. You said to my friend that your organization had answered certain inquiries, I think you led us to believe they had been somewhat instrumental in bringing some industries into Canada?

A. That we had not opposed industries coming into Canada, and had given information which led to them coming in.

Q. The industries you were mentioning - you were

THE WITNESS: It is on record, my lord.

THE COMMISSIONER: I would like to know now just

when it was. I will just wait till Mr. Perry comes

in. We know when this application was made and

rejected. Now, I would like to know, while we are

at it, when the new matter was put up by means of a

fixed valuation?

THE WITNESS: I think, my lord, in that connection

it might be interesting to just check on the point

that when fixed valuations are entered the company

dumping legislation is not enforced. I think that

ought to be brought to your attention as to check

on this matter - I think from memory.

Q. Then, what you say means this, when the fixed

valuation, existing valuation is put on under section

48 it is just put in Canadian dollars and cents

without regard - A. That is so, but I think

that ought to be on the record to check with the

accuracy. I am just talking from memory.

MR. McLELLAN: The fixed valuation under section 48

Great-Industries 8018, December 18th, 1951. That

is stated in Exhibit 180. You said to my friend

that your organization had answered certain inquiries

I think you led us to believe they had seen some-

what instrumental in bringing some industries into

Canada? A. That we had not opposed

industries coming into Canada, and had given information

which led to them coming in.

.. The industries you were mentioning - you were

attempting to mention some industries that you had been instrumental in bringing into Canada. You mentioned one as the Kincardine Botany Spinning?

A. The Botany Dry Spinners.

Q. That was one that was not competing with any industry that was here? A. There were two industries here at that time.

Q. Two what? A. Two different mills were making dry spun yarn at that time.

Q. Where were they? A. One was in Toronto and the other was in Hamilton.

Q. What did your organization have to do with bringing them in? A. It was merely brought to my attention that the people were thinking of bringing mills in. They discussed it with me and I assisted, with one of the existing dry spinners, to give them full technical information as to how he had built his business up in Canada and the difficulties he had and how he had overcome them.

Q. What you say is you assisted together with one spinner who gave somebody that was intending to come here full information about all his own business? A. That is absolutely correct.

Q. He got it and then he came in here and started up in opposition to him?

A. That is correct, that is absolutely correct.

Q. I see, and was the company owned partially by one of the mills in Canada interested in it?

A. Which is that?

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attempting to mention some industries that you had
been instrumental in bringing into Canada. You

mentioned one as the Kincardine Rotary Spinning?

A. The Rotary Dry Spinners.

Q. That was one that was not competing with

any industry that was here?

A. There were two
industries here at that time.

Q. Two what?

A. Two different mills
were making dry spun yarn at that time.

Q. Where were they?

A. One was in
Toronto and the other was in Hamilton.

Q. What did your organization have to do with

bringing them in?

A. It was merely brought
to my attention that the people were thinking of

bringing mills in. They discussed it with me and

I assisted, with one of the existing dry spinners,

to give them full technical information as to how

to set up the mills and how to run them.

Q. What you say is you assisted together with

the spinner who gave somebody that was interested to

come here full information about all his own business?

A. That is absolutely correct.

Q. He got it and then he came in here and

started up in opposition to him?

A. That is correct, that is absolutely correct.

Q. I want to ask you one more question, would you mind

if you could tell me if you know information as to

if there is any

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Q. The company that came here, which is the one in Kincardine, were there some people actually in Canada who were interested in it?

A. Oh, it was the Circle Bar Knitting Company.

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BY THE COMMISSIONER: Q. What company?

A. The Circle Bar Knitting Company of Kincardine was the one; it was already here.

BY MR. McFUEER: Q. That is Mr. Mitchell's company?

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A. Yes.

Q. In Kincardine? A. That is correct.

Q. Mr. Mitchell ran for Parliament at one time?

A. Yes.

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Q. How is it you claim credit for bringing a company into Canada that is owned by Mr. Mitchell who was a man who had been manufacturing here for many many years in Ontario?

A. It was an entirely new venture, he put up a new building, built a new building complete.

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Q. What I am getting at is, here is Mr. Mitchell, a manufacturer in Canada, and he intends to start out in the Botany dry spinning?

A. That is correct.

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Q. Now, what I am getting at is how you can suggest that your organization was instrumental in bringing in the industry from some other place to Canada?

A. I didn't say it was brought from some other place. I said it came into Canada.

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Q. Then it must be my fault, because that is the impression left with me, and I have read some correspondence that rather suggested your organization

Q. The company that came here, which is the one in Kingston, were there some people actually in Canada who were interested in it?

A. Oh, it was the Circle Bar Mining Company.

Q. What company?

A. The Circle Bar Mining Company of Kingston and

the one; it was already there.

Q. What is Mr. Mitchell's

company?

A. Yes.

Q. In Kingston?

A. That is correct.

Q. Mr. Mitchell now for Parliament at one time?

A. Yes.

Q. How is it you claim credit for bringing a

company into Canada that is owned by Mr. Mitchell who

was a man who had been manufacturing here for many years?

A. It was an entirely

new venture, he put up a new building, built a new

building.

Q. What I am getting at is, here is Mr. Mitchell

a manufacturer in Canada, and he intends to start out

in the Pottery dry business?

A. That is correct.

Q. Now, what I am getting at is how you can

suggest that your organization was instrumental in

bringing in the industry from some other place to

Canada?

A. I didn't say it was brought

from some other place. I said it came into Canada.

Q. Then it must be my fault, because that is

the impression left with me, and I have read some

literature that says that your organization

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was putting out some propaganda to keep people out of Canada and in answer to that you said "Look how we helped the botany dry spinning people in starting here?"

5 A. All the correspondence you have read has been in connection with the broad silk section of the silk industry.

10 BY THE COMMISSIONER: Q. Did you, as a matter of fact, assist any foreign company to come into Canada to establish in the silk trade here; that was the question? A. Any foreign country?

15 Q. From another country, from the United States, for instance. You see, we know of some that came here from the United States who said they came on account of the tariff. We had, for instance, in Montmagny, Quebec, the Binz Company that came in, and they got going there in Montmagny and employed a certain number of people, and they say they came in because they had formerly been unable to sell goods in Canada on account of the tariff, so they came 20 into this field themselves. They said that, told us that themselves. Well now, did you help them to come in and not anybody else?

25 A. I think I made a statement that the Aberfoyle People - they were not assisted by myself, but members of the full fashioned hosiery group assisted them in coming in.

Q. Where do they come from?

30 A. From the States, my lord.

Q. When, since 1930?

A. Yes, about two

was putting out some propaganda to keep people out of Canada and in answer to that you said "Look how we helped the poverty-stricken people in starting business". All the correspondence you have read has been in connection with the broad silk section of the silk industry.

BY THE COMMISSIONER: Q. Did you, as a matter of fact, assist any foreign company to come into Canada to establish in the silk trade here; that was the purpose?

A. For instance. You see, we know of some that come here from the United States who said they came on account of the tariff. We had, for instance, in Montgomery, Quebec, the Dix Company that came in, and they got going there in Montgomery and employed a certain number of people, and they say they came in because they had formerly been unable to sell goods in Canada on account of the tariff, so they came into this field themselves. They said that, told us that themselves. Well now, did you help them to come in and not anybody else?

A. I think I made a statement that the Abercrombie people - they were not assisted by myself, but members of the full fashioned hosiery group.

Q. Where do they come from?

A. From the States, my lord.

Q. When, since 1929? A. Yes, about two

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and a half years ago, I think.

BY MR. McRUER: Q. Well, the impression you left on me, whether it was wrong or not, was that your organization had done something to get the Aberfoyle People in here?

A. I think I said some of our members in the silk.

Q. Some of your members in the silk?

A. Yes.

Q. They were probably financially interested in the Aberfoyle Company?

A. I don't think so.

Q. Well, somebody that was wanting to sell them yarn or something like that. What I am getting at is you have put this forward; you put forward the Botany Company and the Aberfoyle Company to suggest you were encouraging people to come in as against the suggestion that I thought was contained in those letters that you were encouraging them to stay out.

Now, do we come down to this that you have no instances where your organization have done anything to bring industries into Canada?

A. I would not go quite as far as that.

Q. Well, if you have helped any I would like to know about them?

A. Because, as I have explained to you, the machinery for the Botany Dry Spinners came in from England, if my memory is correct, and a new building was erected and put up here.

Q. We have heard all about the Botany Dry Spinners, that is Mr. Mitchell?

and a half years ago, I think.

BY M. McNEIL: Well, I understand you

left on me, whether it was wrong or not, was that

your organization had done something to get the

Abertyle people in here? A. I think

I said some of our members in the club.

Q. Now in your opinion is the club

Q. Now

Q. Now the club is a very important

in the Abertyle company?

A. I don't think so.

Q. Well, somebody that was wanting to sell them

year or something like that. What I am getting at

is you have put this forward; you put forward the

Botany Company and the Abertyle company to suggest

you were encouraging people to come in as against the

suggestion that I thought was contained in these

letters that you were encouraging them to stay out.

Now, do we come down to this that you have no

intention to bring the Botany Company into Canada?

Q. I would not go quite as far as that.

A. Well, if you have helped any I would like

to know about them?

A. Because, as I have explained to you, the machinery

of the Botany Pty. Spinnery came in from England,

my memory is correct, and a new building was

Q. We have heard all about the Botany Co.

Q. We have heard all about the Botany Co.

Q. We have heard all about the Botany Co.

Q. We have heard all about the Botany Co.

A. Well, the Mohawk Mills came in from the United States.

Q. Who were the Mohawk Mills?

A. Mr. H.G. Smith.

Q. Of where?

A. Hamilton.

Q. What business was he in before he started the Mohawk Mills?

A. He had been in the textile business here.

Q. So it was no part of your business to bring him in here?

A. You mean bring him right into the country?

Q. Or encourage him to come?

A. I think we encouraged him to start up here.

Q. You encouraged Mr. Smith to start up?

A. Yes, to start up a separate mill.

Q. I am talking about foreign companies, encouraging people with foreign capital to come in here.

MR. KELLOCK: The witness told you about the Herbert Hosiery Mills.

MR. McRUER: I don't remember.

THE COMMISSIONER: What is that?

MR. KELLOCK: The Herbert Hosiery Mills.

BY MR. McRUER: Q. What about them?

A. I think in the case of the Herbert Hosiery I gave information to the Industrial Trade Commission that helped to bring him in.

BY THE COMMISSIONER: Q. Who are they?

A. They are an American concern, my lord.

Q. Where are they? A. They are located in Toronto. They produce children's socks and

A. Well, the Hockley Mills came in from the United States

Q. How long have they been in the country?

A. Mr. H.C. Smith.

Q. Of where?

A. Hamilton.

Q. What business was he in before he started

A. He had been in the

textile business here.

Q. So it was no part of your business to bring

A. You mean bring him right

into the country?

Q. Or encourage him to come?

A. I think we encouraged him to start up here.

Q. You encouraged Mr. Smith to start up?

A. Yes, to start up a separate mill.

Q. I am talking about foreign companies.

and urging people with foreign capital to come in

here.

MR. KILLOCK: The witness told you about the

Herbert Hockley Mills.

MR. KILLOCK: What is that?

MR. KILLOCK: The Herbert Hockley Mills.

BY MR. KILLOCK: What about them?

BY MR. KILLOCK: Who are they?

A. They are an American concern, my lord.

Q. Where are they?

A. They are located in Toronto. They produce children's coats and

stockings and half hose of a class that was not sufficiently covered in Canada.

Q. Where did they bring their machinery from?

A. From the States, my lord.

Q. You did not see any objection to them coming in?

A. Not in that case because there was not enough machinery in the country to fill that field.

BY MR. McRUER: Q. May we come down to this, you say you did not object in that case because there was not enough machinery to fill that field in this country; if there is enough machinery in your opinion you do object?

A. I think that is correct.

Q. All right.

MR. KELLOCK: My lord, there are one or two new things my friend brought out.

THE COMMISSIONER: Go on.

BY MR. KELLOCK: Q. Mr. Hallam, I want to refer you to Exhibit 656, which includes a number of letters and among these it includes a letter of the 25th of September, 1928 from you to Mr. Watson.

THE COMMISSIONER: What Exhibit are you referring to?

MR. KELLOCK: 656, my lord; now, you recall this letter, Mr. Hallam - "I was very pleased to have your letter of September 24th re publicity for the Silk Industry through the Women's Institutes".

Is that letter when it speaks of the silk industry,

is that what it was about?

A. It was about the

at things and half hour of a class that was not

entirely covered in Canada.

Q. Where did they take their machinery from?

A. From the States, my lord.

Q. You did not see any objection to them coming?

A. Not in that case because there

was not enough machinery in the country to fill that

field.

BY MR. HOLLAND: "May we come down to this, you

say you did not object in that case because there

was not enough machinery to fill that field in this

country; if there is enough machinery in your opinion

you do object? A. I think that is correct.

MR. HOLLAND: My lord, there are one or two new

THE COMMISSIONER: Go on.

BY MR. HOLLAND: "Mr. Holland, I want to refer

you to exhibit 606, which includes a number of letters

and among these it includes a letter of the 24th of

September, 1908 from you to Mr. Watson.

THE COMMISSIONER: What exhibit are you referring

MR. HOLLAND: 606, my lord; now, you recall that

letter, Mr. Holland - "I was very pleased to have

your letter of September 24th re publicity for the

slip industry through the 'silk industry'."

is that letter when it speaks of the silk industry,

is that what it was about?

silk industry.

Q. And that was followed up by the letter which you had received--

THE COMMISSIONER: Who is it from?

5 MR. KELLOCK: It is from the witness to Mr. Watson. That was followed up by the letter which you received from the Katakura Company of the 23rd of August, 1928, and your reply, and in your reply of the 10 25th of August you point out that you have only recently become associated with the silk industry; you said that was when? A. That was in July, 1928.

15 Q. Your first connection with the silk industry was about a month before you had to write this letter? A. That is correct.

20 Q. You say that you were investigating silk statistics of Canada and that so far as you have gone you find them very incomplete and not up to date. Then, you do give this concern certain figures from the Canadian Census of Industry of 1926. My friend asked you why you did not give them the figures from the Canadian Census of Industry for 1927; how often is this publication issued?

25 A. It comes out annually but is usually two years behind. Some reports are two years and some are one.

BY THE COMMISSIONER: Q. You told us that before.

A. I think I told you that.

30 BY MR. KELLOCK: Q. In so far as that publication was concerned, did you give them the latest figures

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Q. And that was followed up by the letter which
you had received--

THE COMMISSIONER: Who is it from?

MR. KILGORE: It is from the witness to the

Witness. That was followed up by the letter which

you received from the Ketchikan Company of the 22nd of

August, 1928, and your reply, and in your reply of the

22nd of August you point out that you have only

recently become acquainted with the Ketchikan Company.

Q. What was in July
you said that was when?

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Q. You find at connection with the silk industry

was about a month before you had been with the Ketchikan

A. That is correct.

Q. Now say that you were investigating silk

statistics of Canada and that as far as you have

you find that they investigated and set up to date.

then, the Ketchikan Company is coming before the

the Canadian Census of Industry of 1927.

friend asked you why you did not give them the figures

from the Canadian Census of Industry for 1927; how

often is this publication issued?

A. It comes out annually but is usually two years

behind. Some reports are two years and some are

BY THE COMMISSIONER: Q. You told us that before

A. I think I told you that.

BY MR. KILGORE: Q. In so far as that published

was concerned, did you give them the latest figures

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available?

A. I gave them the latest

figures out of the latest report available.

Q. Then, you point out that these figures do not represent the true situation and you go on to give some further information which you told my friend you got from Trade of Canada, March, 1928 report; was that the latest thing?

A. That was the latest annual year - I mean the latest fiscal year.

Q. Then, my friend read to you Exhibit 657 which was a letter of June 4th, 1932, that you wrote to the Silk Journal of America, and you enclosed a clipping from the Financial Times; you said you had not had anything to do with the preparation of the subject matter of the clipping itself?

A. To my knowledge I had no connection.

Q. That clipping said while the industry had been getting along very well it was faced with overproduction; now, from your experience was that the fact at that time? A. That was a fact at that time.

Q. My friend stressed a lot about propaganda but I want to know whether or not that was the fact?

A. That was the fact.

Q. I would like to refer you go certain evidence which was given before this Commission on the 25th of September, last, - I assume in Montreal - the evidence of Mr. Levee, page 7838. My friend is examining the witness; have you read this evidence,

Q. I give from the latest

figures out of the latest report available.

Q. Then, you point out that these figures do

not represent the true situation and you go on to

give some further information which you told me

that you got from Trade of Canada, March, 1922

report; was that the latest thing?

A. That was the latest annual year - I mean the

latest fiscal year.

Q. Then, my friend read to you Exhibit 627

which was dated of June 21st, 1922, that you wrote

to the Silk Journal of America, and you said that

a clipping from the Montreal Witness; you said you

had not had anything to do with the preparation of

the subject matter of the clipping itself?

A. To my knowledge I had no connection.

Q. That clipping said while the industry had

been getting along very well it was faced with

overproduction; now, from your experience was that

the fact at that time? A. That was a fact

at that time.

Q. My friend stressed a lot about propaganda

but I want to know whether or not that was the facts

A. That was the fact.

Q. I would like to refer you to certain

evidence which was given before this Commission on

the 15th of September, last, - I assume in Montreal -

the evidence of Mr. [unclear] was that

the evidence of Mr. [unclear] was that

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Mr. Hallam?

A. I have looked over it.

Q. And my friend was examining the witness and he put his question at line 22:

"Q. Well, the whole thing seems to simmer down - we have got too many manufacturers for the population we have in Canada?

A. Far too many producing far too much and mills producing more material than can be sold in a sound and stable manner.

Q. And that has got increasingly so during the last two years?

A. Yes."

THE COMMISSIONER: Are you talking about Mr. Levee?

MR. KELLOCK: Yes.

THE COMMISSIONER: I thought his evidence was confined to his own business.

BY MR. KELLOCK: Q. Well, his business is the business of buying broad silk fabrics from the mills and manufacturing it into clothes?

A. That is his business.

Q. Now, he says there is "Far too many producing far too much and mills producing more material than can be sold in a sound and stable manner". My friend asks him "And that has got increasingly so during the last ~~few~~ two years", and the answer is "Yes". Now, do you agree that that was the situation?

A. What date are they speaking about?

Q. He says that has got increasingly so during

Q. I have looked over it.
A. And my friend was examining the witness and
he put his question at line 10:
"Q. Well, the whole thing seems to simmer down -
we have got too many manufacturers for the
population we have in Canada?
A. Not too many producing for the market and
supplying the market for the home and
in a sound and stable manner.
Q. And that has got increasingly so during
the last two years?
A. Yes."
THE COMMISSIONER: And you believe so, Mr.
Lewy?
MR. KILLOCK: Yes.
THE COMMISSIONER: I thought his evidence was
confined to his own business.
BY MR. KILLOCK: Q. Well, his business is the
business of buying, brood with rabbits from the mills
and manufacturing it into clothes?
A. That is his business.
Q. Now, he says there is "too many
producing too much and with producing more
material than can be sold in a sound and stable
manner". My friend asks him "and that has got
increasingly so during the last two years", and
the answer is "Yes". Now, do you agree that that
was the situation?
Q. What date are they speaking about?
A. He says that he got increasingly so during

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the last two years? A. I think that would be correct.

Q. And Mr. Levee was not the manufacturer of silk fabrics, he was a consumer of silk fabrics?

5 A. He would be a consumer of silk fabrics.

Q. I suppose Mr. Levee is a representative manufacturer in his line, is he?

A. I should say so. He represents the manufacturers' association.

10 MR. McIVER: He is a man like yourself.

BY THE COMMISSIONER: Q. You see, he says he is the executive directly of the Associated Women's Wear Bureau? A. That is composed of people who buy our fabrics.

15 Q. Composed of people manufacturing women's wear in Montreal and Toronto.

MR. KELLOCK: Yes, I think so; I think he was an actual manufacturer, but he represents that branch of the industry.

20 MR. McIVER: He came instead of the manufacturers that I asked to come.

MR. KELLOCK: I don't care, he came and that is what he said and that is the question you put to him.

25 THE COMMISSIONER: Was he saying that in reference to the primary manufacturers or in reference to his own manufacture?

MR. KELLOCK: He is speaking, my lord, in reference to the primary manufacturers.

30 THE COMMISSIONER: All right; well, I will have to read it. What ~~is~~ runs in my mind is that

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the last two years?
A. I think that would
be correct.
Q. And Mr. Leves was not the manufacturer of
silk fabrics, he was a consumer of silk fabrics?
A. He would be a consumer of silk fabrics.
Q. I suppose Mr. Leves is a representative
manufacturer in his line, is not
A. I should say so. He represents the manufacturers'
association.
Q. Would it be fair to say that
the executive directly of the Associated Women's Wear
Bureau?
A. That is composed of people
who buy our fabrics.
Q. Composed of people manufacturing women's
wear in Montreal and Toronto.
MR. WILSON: Yes, I think so; I think he was
an actual manufacturer, but he represents that branch
of the industry.
MR. MORRIS: He came instead of the manufacturers
that I asked to come.
MR. WILSON: I don't care, he came and that is
what he said and that is the question you put to him.
THE COMMISSIONER: Was he saying that in reference
to the primary manufacturers or in reference to his
own manufacture?
MR. WILSON: He is speaking, my lord, in
reference to the primary manufacturers.
THE COMMISSIONER: All right; well, I will
have to read it. What is in my mind is that

he was talking about his own women's wear manufacturing.

MR. KILLOCK: The first part of his answer might very well be that but he goes on to say "Far too many producing far too much"; that might cover his own industry, and "Mills producing more material than can be sold in a sound and stable manner". That is the industry that Mr. Levee represents, that is, the people buying fabrics from the mills complaining about over-production in the mills.

THE WITNESS: Because it actually makes an unstable market for them, it upsets the market continually for them.

Q. They buy their material and manufacture and then they find that because of overproduction somebody has thrown something on the market?
A. Yes, and it upsets their whole production methods.

Q. I just want to ask you a question with regard to Exhibit 660 which is composed of two letters, from the Canadian Pacific and Canadian National officials to Mr. Bennett in 1931, and they are referring there to any prospective increase on the duty on raw silk particularly, and apparently are afraid that they would lose some traffic. Now, what was the situation there, what was the difference between bringing raw silk from Japan into the United States whether it travelled over Canadian lines before it to got/the United States or not, and bringing it in direct into Canada?

THE COMMISSIONER: Direct into Canada?

MR. KILLOCK: Bringing it direct, my lord.

he was talking about his own women's wear manufacturing

MR. KILLOCK: The first part of his answer might

very well be that he was in the way of the

industry, and "while producing more material than can

be sold in a sound and stable market."

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buying fabrics from the mills complaining about over-
production in the mills.

THE WITNESS: Because it actually makes an

unstable market for them, it upsets the market
continually for them.

Q. They buy their material and manufacture

and then they find that because of overproduction
somebody has thrown something on the market?

A. Yes, and it upsets their whole production system.

Q. I just want to ask you a question with regard

to Exhibit 660 which is composed of two letters, from
the Canadian Pacific and Canadian National officials
to Mr. Bennett in 1931, and they are referring there
to any prospective increase on the duty on raw silk
particularly, and apparently are afraid that they
would lose some trade. Now, what was the

situation there, what was the difference between
the two companies? Did they have any special
agreement with the Government? Did they have
any special agreement with the Government?

MR. KILLOCK: Bringing it direct, my Lord.

THE COMMISSIONER: Are you talking of Japanese goods going through the United States?

MR. KELLOCK: My question is this, bringing in Japanese raw silk which goes first to the United States and then is purchased in the United States and sent to Canada as opposed to the buyer in Canada buying directly from Japan and having it landed in Canada and brought right into him here.

THE COMMISSIONER: You say what is the difference?

MR. KELLOCK: What is the difference from the standpoint of duty at that time?

THE WITNESS: There has been no real duty on raw silk--

THE COMMISSIONER: Just a minute, these people were talking of the interests of the railways.

MR. KELLOCK: Quite; they were talking of the interest of the railways and I want to ask the witness first what the situation was there and if there was any real fear on the part of the railways if there was anything that could be done. Now, would you tell his lordship first what the situation was from the standpoint of duty in 1931 when these letters were written re silk? A. There was no duty on raw silk.

Q. Coming into Canada? A. Coming in from any country, but there was a three percent excise tax.

BY MR. McRUER: Q. At that time?

A. I think at that time - have I got the dates?

THE COMMISSIONER: There was something that these

THE COMMISSIONER: Are you talking of Japanese

goods going through the United States?

MR. KILBOCK: My question is this, pertaining in

Japanese raw silk which goes first to the United

States and then is purchased in the United States and

sent to Canada as opposed to the buyer in Canada

buying directly from Japan and having it landed in

Canada and brought right into his store.

THE COMMISSIONER: You say what is the difference?

MR. KILBOCK: What is the difference from the

standpoint of duty at that time?

THE WITNESS: There has been no real duty on

raw silk--

THE COMMISSIONER: Just a minute, these people

were talking of the interests of the railways.

MR. KILBOCK: Quite; they were talking of the

interest of the railways and I want to ask the witness

what was the situation in 1914 when these letters were

any real focus on the part of the railways if there

was anything that could be done. Now, would you

tell his lordship what was the situation was from

the standpoint of duty in 1914 when these letters were

written to him?

MR. KILBOCK: There was no duty

on raw silk.

THE COMMISSIONER: Now, would you

tell his lordship what was the situation was from

the standpoint of duty in 1914 when these letters were

written to him?

letters objected to, whatever it was.

MR. KELLOCK: They were objecting to the proposed increases, my lord.

THE WITNESS: The excise tax was one percent in June, 1931 and was made three percent in April, 1932.

Q. Then, there was no excise tax in April and May, 1931, at the time these letters were written?

A. Just one percent.

Q. I thought you said it was put on in June?

A. In June, 1931.

Q. And these letters were written in April and

May? A. Yes.

THE COMMISSIONER: They were in anticipation of something about to be done.

MR. KELLOCK: Now, dealing with the something--

MR. McRUEN: I think it was the fixed valuation.

THE COMMISSIONER: Well, the letters will speak for themselves.

MR. KELLOCK: They are only speaking about loss of traffic, my lord. What I am getting at is what difference would be made by reason of anything they were afraid of; they were afraid of duties going on.

THE COMMISSIONER: They were afraid the Japanese would not like this.

MR. KELLOCK: Would re-route.

THE COMMISSIONER: In a spirit of retaliation would start shipping to the United States.

MR. KELLOCK: Yes, and route through the States to Canada. I want to find out from the witness whether there would be any advantage in doing that.

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MR. KENLOCK: They were objecting to the proposed

increase, my lord.

THE WITNESS: The excise tax was one percent in

June, 1931 and was made three percent in April, 1932.

Q. Then, there was no excise tax in April and

May, 1931, at the time these letters were written?

A. Just one percent.

Q. I thought you said it was put on in June?

A. In June, 1931.

Q. And these letters were written in April and

May?

THE COMMISSIONER: They were in anticipation of

something about to be done.

MR. KENLOCK: Now, dealing with the something--

MR. MORRIS: I think it was the fixed valuation.

THE COMMISSIONER: Yes, the fixed valuation.

THE COMMISSIONER:

MR. KENLOCK: They are only speaking about loss

of traffic, my lord. What I am getting at is what

alterance would be made by reason of anything they

were afraid of; they were afraid of duties going on.

THE COMMISSIONER: They were afraid the Japanese

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THE COMMISSIONER: In a spirit of retaliation

would start shipping to the United States.

MR. KENLOCK: Yes, and to go through the States

to Canada. I want to take out from the witness

whether there would be any advantage in doing that.

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THE COMMISSIONER: These letters point out the disadvantage it would be to Canada if she increased the duties. These goods were coming in through Vancouver and they said "Now, if you go on and do what you are asked to do, the Japanese will stop doing that and will ship their goods to Seattle and across the United States by United States Railways."

MR. KELLOCK: Quite, my lord.

THE COMMISSIONER: That was their fear; I don't know yet whether their fear was realised because they do not follow it up. There is no other letter from them. In any case, it was goods going to the United States. What is your point about it?

MR. KELLOCK: My point, my lord, would only relate to that part which would ultimately find its way into Canada. It does not cover the whole of it.

THE COMMISSIONER: That is a different question.

MR. KELLOCK: Very well, we will have the facts of that later on. Now, I want to refer for a minute to Exhibit 600 which my friend referred to; that is a memorandum of the 8th of June, 1936, which was filed with the Tariff Board in connection with the cotton hearing?

A. Yes.

(Page 8830 follows)

THE COMMISSIONER: These letters point out the disadvantage it would be to Canada if she increased the duties. These goods were coming in through Vancouver and they said "now, if you go on and do what you are asked to do, the Japanese will stop doing that and will ship their goods to Seattle and across the United States by United States Railway."

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THE COMMISSIONER: That was their fear; I don't know yet whether their fear was realized because they do not follow it up. There is no other letter from them. In any case, it was goods going to the United States. What is your point about it?

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8830

Hallam

Q. I am wrong, I beg your pardon--Memo. dated June 18, 1936. My friend referred you to that and also to some figures which you had given and my friend was comparing the dividends paid by English companies during a certain period with dividends paid by Canadian companies. Now, that is one thing. I want to ask you this: What knowledge have you as to any action being taken by the British Government to retire surplus cotton spindles in England? A. The Reports I have--it has been in the press for a great many months--a tremendous discussion in England and in the House of Commons, and I understand they are going to scrap 10,000,000 spindles.

THE COMMISSIONER: Oh, they have passed an Act.

MR. McRUER: I have a copy of the Act now.

THE COMMISSIONER: Which provides for the lopping off of a great number of spindles of the British industry.

MR. KELLOCK: By Government action.

MR. McRUER: No, it provides for a Board by which they can do it voluntarily.

THE COMMISSIONER: Sets up a Board and provides for a fund.

MR. KELLOCK: It is a special fund.

THE COMMISSIONER: No, the industry itself is paying for the lopping off of portion of it.

MR. McRUER: They pay it into the Board. Go to the Board and say--We will sell our mill for so much, and they can take it or leave it.

MR. KELLOCK: The idea I suppose is to control

Q. I am wrong, I beg your pardon--Memo. dated

June 18, 1925. My friend referred you to that

and also to some figures which you had given and my

friend was comparing the dividends paid by English

companies during a certain period with dividends paid

by Canadian companies. Now, that is one thing. I

want to ask you this: What knowledge have you as to

any action being taken by the British Government to

retire surplus cotton spindles in England? A. When

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many months--a tremendous discussion in England and

in the House of Commons, and I understand they are

going to scrap 10,000,000 spindles.

THE COMMISSIONER: Oh, they have passed an act.

MR. McLENNAN: I have a copy of the act now.

THE COMMISSIONER: Which provides for the turning

off of a great number of spindles of the British

industry.

MR. McLENNAN: By Government action.

MR. McLENNAN: No, it provides for a Board

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THE COMMISSIONER: Sets up a Board and provides

for a fund.

MR. McLENNAN: It is a special fund.

THE COMMISSIONER: No, the industry itself is

paying for the turning off of portion of it.

MR. McLENNAN: They pay it into the fund. Go

to the Board and say--We will sell our mill for

so much, and they can take it or leave it.

MR. McLENNAN: That is a question in the future.

production.

THE COMMISSIONER: Yes, it is to curtail production.

MR. McRUER: They are an exporting country and we are a little different.

THE COMMISSIONER: That Act has come?

MR. McRUER: Yes.

MR. KELLOCK: My friend points out that Great Britain is an exporting country--

THE COMMISSIONER: Perhaps if we had the Act here Mr. Kellock could see it and have something to say about it.

MR. KELLOCK: No, I did not know Your Lordship knew about it.

MR. McRUER: I will make perfectly clear what my objection is.

MR. KELLOCK: You are arguing in sending out of reports of what the industry is producing there is a control of production. I am simply pointing out that the Government of Great Britain does it--

THE COMMISSIONER: There is this distinction to be borne in mind, that the British Government has exportation in mind to a very great extent.

MR. KELLOCK: Q. Having that fact in mind that His Lordship has just referred to that Great Britain is an exporting country, has Great Britain lost its export markets to a large extent? A. Yes, they are very bitter about it; they have lost a big export business.

Q. That being so, what do you say as to how com-

production.

THE COMMISSIONER: Yes, it is to control pro-

MR. MONROE: They are an exporting country and

we are a little different.

THE COMMISSIONER: That has come?

MR. MONROE: Yes.

MR. KELLER: We tried to get out that great

Britain is an exporting country--

THE COMMISSIONER: Perhaps it was not too hot

here Mr. Keller could see it and have something to

say about it.

MR. KELLER: No, I did not know your membership

know about it.

MR. KELLER: I will make a statement about that

my objection is.

MR. KELLER: You are arguing in a general way

it is not the subject of the meeting is to discuss

a control of production. I am simply pointing out

that the Government of Great Britain does it--

THE COMMISSIONER: There is this distinction

to be borne in mind, that the British Government has

exportation in mind to a very great extent.

MR. KELLER: Having that fact in mind that

his membership has just returned to that Great Britain

is an exporting country, has Great Britain lost its

export markets to a large extent? A. Yes, they

are very bitter about it; they have lost a big export

business.

Q. That being so, what do you say as to how com-

parable the figures of dividends paid by the British cotton industry are to dividends paid by the Canadian industry. Does the Canadian industry to any extent depend on an export market? A. No, on a home

market.

Q. Then you have prepared a statement here to bring up-to-date a statement which you put in before, which is dated the 24th September, 1936, and it is a statement on the Current Trends of United Kingdom Cotton Exports to Canada and you show piece goods in thousands of square yards for the four months from January to April in 1936, showing 22,831,000 square yards and in 1935, the same period, 23,220,000 square yards. And for the four months from May to August, 1936, 25,423,000 square yards and in 1935, 18,654,000 square yards. An increase of 36%. The previous figure was a decrease of 2%.

THE COMMISSIONER: Is that document already in?

MR. KELLOCK: No, it brings the document up to date.

THE COMMISSIONER: It will be added to Exhibit No. 600.

THE WITNESS: It is just to bring the figures up-to-date, my Lord.

MR. KELLOCK: And it shows for the 8 months, January to August, 1936, there were 48,254,000 square yards of cotton piece goods imported here from Great Britain as against 41,874,000 in the same period of 1935, an increase of 15%.

THE COMMISSIONER: That is cotton alone?

DEAR

WELLES

variable the figures of dividends paid by the British
cotton industry and to dividends paid by the American
cotton industry on an export basis.

When you have prepared a statement here to
bring up-to-date a statement which you put in before,
which is dated the 24th September, 1935, and it is
a statement of the cotton industry of United Kingdom
cotton exports to Canada and you show piece goods in
the statement of square yards for the four months from

January to April in 1935, amounting to 28,221,000
square yards and in 1936, the same period, 28,220,000
square yards. And for the four months from May to
August, 1935, 28,420,000 square yards and in 1936,
28,424,000 square yards. An increase of 36.

Previous figures was a decrease of 14.
THE COMMISSIONER: Is that document already in
your possession? No, it brings the document up to
date.

THE COMMISSIONER: It will be added to Exhibit
No. 100.

And it shows for the four months
January to August, 1935, there were 28,221,000
square yards of cotton piece goods imported here from
the United States against 27,855,000 in the same
period of 1934, an increase of 14.

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MR. KELLOCK: Cotton piece goods. And the same information is for yarn.

THE COMMISSIONER: Cotton yarn?

5 THE WITNESS: Yes, cotton yarn, just to bring the figures up to date.

MR. KELLOCK: The figures there are 1,600,000 lbs. in 1936 and 1,587,000 lbs. in 1935, and increase of 1%. That is four months January-April. The four months May-August, 1936, 1,367,000 lbs. as against 10 1,536,000 lbs in 1935, a decrease of 11%. And the 8 months, Jan-Aug. in 1936, 2,967,000 lbs. as against 3,123,000 lbs. in 1935, a decrease of 5%.

That might be a part of Exhibit 600.

15 ---Statement of Current Trends of U.K. Cotton Exports to Canada attached to Exhibit No. 600.

Q. And then you have a statement, Mr. Hallam, taken from the accounts relating to Trade and Navigation of the United Kingdom, which shows exports from 20 Great Britain in the first seven months of the year-- that is, exports to Canada.

THE COMMISSIONER: In this year?

MR. KELLOCK: Yes. Compares 1935 and 1936.

25 THE COMMISSIONER: You mean exports of all kinds?

MR. KELLOCK: Just wool.

THE WITNESS: It is to bring the other Report up-to-date, my Lord.

30 MR. BERRY: That is Exhibit No. 640.

THE COMMISSIONER: What does it show?

William

Mr. KELLER: Cotton piece goods. And the same information is for year.

Mr. KELLER: The figures there are 1,300,000 lbs. in 1933 and 1,307,000 lbs. in 1934, and increase of 1%. That is for month January-April. The four months May-August, 1934, 1,307,000 lbs. as against 1,300,000 lbs. in 1933, a decrease of 1%. And the four months Jan-Aug. in 1934, 1,307,000 lbs. as against 1,300,000 lbs. in 1933, a decrease of 1%. That might be a part of Exhibit 300.

Statement of Current Trends of U.S. Cotton Exports to Canada, referred to Exhibit no. 300. And when you have a statement, Mr. William, taken from the accounts relating to Trade and Navigation of the United Kingdom, which shows exports from Great Britain in the first seven months of the year-- that is, exports to Canada.

Mr. KELLER: Yes. Compared 1933 and 1934. The Commission: You mean exports of all kinds? Mr. KELLER: Yes. The Commission: It is to bring the other Report that is Exhibit no. 340.

That is Exhibit no. 340. And when you have a statement, Mr. William, taken from the accounts relating to Trade and Navigation of the United Kingdom, which shows exports from Great Britain in the first seven months of the year-- that is, exports to Canada.

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MR. KELLOCK: It shows exports from Great Britain to Canada and compares them with--

THE COMMISSIONER: How much does it show?

5 MR. KELLOCK: In the case of wool there are three sub-divisions. Raw is the first section. In 1935, 2,541,000 lbs. and in 1936, 2,712,000 lbs., an increase of 171,000 lbs. In tops, 1935, 5,303,000 lbs. and in 1936, 5,979,000, an increase of 676,000 lbs. In yarns, 1,404,000 lbs. in 1935 and 1,581,000 lbs in 1936, an increase of 177,000 lbs. Cloth, in 1935, 7,892,000 square yards and in 1936, 10,013,000 square yards, an increase of 2,121,000 square yards. Then it goes on to compare the situation as between 15 1935 and 1936. In the case of raw wool, in 1930, 1,284,000 and in 1936, 2,712,000 lbs., an increase of 1,428,000 lbs. In the case of tops, in 1930, 3,484,000 lbs and in 1936, 5,979,000 lbs, an increase of 2,484,700 lbs. In yarns, in 1930, 2,619,700 lbs. and in 1936, 1,581,000 lbs, a decrease of 1,038,700 lbs. In cloth in 1930, 10,261,800 square yards and in 1936, 10,013,000 square yards, a decrease of 248,000 square yards.

25 and 3 sub-section shows:

"Total of exports from Great Britain in
"pound sterling to the five principal countries
"purchasing: wool tops, yarns, cloth and
30 "carpets.

In Canada the figure---

It shows exports from Great Britain
Canada and compares them with--

THE COMPARISON: How much does it show?

In the case of wool there are three
divisions. Raw is the first section. In 1935,

2,541,000 lbs. and in 1936, 2,712,000 lbs., an increase
of 171,000 lbs. In tops, 1935, 2,305,000 lbs. and

in 1936, 2,372,000, an increase of 67,000 lbs.
In yarns, 1,404,000 lbs. in 1935 and 1,481,000 lbs. in

1936, an increase of 77,000 lbs. Cloth, in
1935, 7,000,000 square yards and in 1936, 7,012,000

square yards, an increase of 12,000 square yards.
It shows an increase in the quantity of wool in 1936

over 1935. In the case of tops, an increase of
1,384,000 and in 1936, 2,712,000 lbs., an increase of

1,428,000 lbs. In the case of tops, in 1935,
2,305,000 lbs. and in 1936, 2,372,000 lbs., an increase

of 67,000 lbs. In yarns, in 1935, 1,404,000 lbs.
and in 1936, 1,481,000 lbs., a decrease of 1,038,000

in cloth in 1935, 10,261,800 square yards and in
1936, 10,012,000 square yards, a decrease of 249,800

square yards.
Total of exports from Great Britain in

"found sterling to the five principal countries"
"Yarns: wool tops, yarns, cloth and

"carpets."

Q. For what period? A. That will be in the same year, 1936.

MR. McRUER: Q. Those items are amalgamated in this figure? A. That is actual figures issued in the Report.

MR. KELLOCK: I know, but this figure that this Exhibit now deals with is in pounds sterling.

MR. McRUER: I mean the articles are all taken together, the tops and wools, &c.

MR. KELLOCK: That is right.

MR. McRUER: Most unhappy comparison because the same countries are not interested in the manufacture of woollens, would not be importing tops or raw wools or anything like that.

MR. KELLOCK: It shows in England that in the case of Canada the figure is £ 2,221,380. That is in the first seven months of 1936. Germany £1,649,523. Argentina, £1,272,908. Union of South Africa, £ 1,211,761. Denmark, £1,010,263.

And there is a note:

"No other country purchased up to £1,000,000 worth from Great Britain."

Q. Are these original figures in this document?

A. Yes, those are the classifications which the Government gives there. They lump all these together in their own reports.

MR. KELLOCK: That is all.

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For what period? That will be in the
Mr. McRae: Those items are unadjusted
in this figure? That is actual figures issued
in the report.
MR. McRae: I know, but this figure that this
exhibit now deals with is in pounds sterling.
MR. McRae: I mean the articles are all taken
together, the tops and wool, etc.
MR. McRae: That is right.
MR. McRae: Most unhappy comparison because the
some countries are not interested in the manufacture
of wools, would not be importing tops or raw
wool as you say.
MR. McRae: It shows in England that in
the case of Canada the figure is 2,221,280.
That is in the first seven months of 1935.
Germany
11,000,000, 11,000,000, 11,000,000
11,000,000, 11,000,000, 11,000,000
and there is a note:
"No other country purchased up to \$1,000,000
worth from Great Britain."
Are these original figures in this document?
Yes, those are the classifications which the
Government gives there. They lump all these to-
gether in their own reports.
MR. McRae: That is all.

RE-EXAMINATION BY MR. McRUER.

Q. There is just one question I want to ask you to see if you can get me the information.

At page 8861 of the Evidence you are asked in reference to these hosiery agreements this question. It was not the hosiery agreement, it was in regard to companies, the cloth companies, getting prices from you. You are asked:

Q. Can you indicate to his lordship how many of those were not in receipt of any information as to prices of any kind? A. I can just

give you examples. I know the Canada Hair Cloth didn't because their production is not of a class or kind that would come into the picture whatever.

LaFrance plushes, Limited, of Woodstock wouldn't get it. They wouldn't be the slightest degree interested in the thing. Paris Wincey Mills

Limited, Rosamond Woollen Company, the Western

Canada Weaving Mills; those are examples. I

would have to check back --- "

That is, your bulletin sent out about prices?

A. That is right.

Q. "I would have to check back. The Acme

Glove Works would make cloths, wouldn't it---"

Now, I want to know if you have got some record on which you could check back that would tell us.

A. No, I would have to ask the various mills on it. I have no such record.

There is one question at present.

Document of the Bureau of the Census, U.S. Department of Commerce, Bureau of Economic Analysis, Office of Statistical Analysis, Washington, D.C. 20540, dated 1980, page 12.

Give you examples. I have the Canada Fair Clinic

[illegible]

...it. They wouldn't be the slightest degree

TABLE 1. *Continued*

11 " would have to check back --- "

It is, your bulletin sent out about 1915?

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4. "I would have to check back.

Now, I want to know if you have got some record

8837

Hallam,
Welch.

Q. What is it you mean by "I would have to check back?" A. I would have to make enquiries and

find out from the mills, who got them.

5 Q. You tell us that you did not keep a record of the names of the mills to which these bulletins went out? A. No, not to my knowledge.

10 Q. You say, "Not to your knowledge" - I want to know whether you have or have not got a record? A. It should be attached.

Q. Whether it is attached to the bulletin or not? A. Yes, I should think so.

15 THE COMMISSIONER: Thank you, Mr. Hallam.

20 ALEXANDER WELCH, Sworn,

EXAMINED BY MR. MORUER:

25 Q. You are an officer of the United Textile Workers of America? A. Yes, sir.

Q. What office do you hold? A. I am recording secretary of Local 2495 of Toronto.

25 Q. Local 2495 is a Local of what - what is the parent organization? A. The United Textile Workers of America.

Q. And they are located where? A. In New York City.

30 Q. And organized when? A. 1901.

Q. And is that a recognized labour union in the United States? A. It is, yes.

Q. What is it you mean by "I would have to check

back?" A. I would have to make enquiries and

find out from the mills, who got them.

Q. You tell us that you did not keep a record

of the names of the mills to which these bulletins

went out? A. No, not to my knowledge.

Q. You say, "not to your knowledge" - I want to

know whether you have or have not got a record?

A. It should be attached.

Q. Whether it is attached to the bulletin or not?

A. Yes, I should think so.

Q. The bulletins, I understand, are sent to the

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Q. The bulletins, I understand, are sent to the

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Welch

Q. Is it affiliated? A. With the American Federation of Labour. I believe at present they have been suspended due to their activities with the Committee for industrial organization, but until the Convention they are still affiliated with the A.F.L.

BY THE COMMISSIONER: Q. For what reason are they suspended? A. For having part in the activities of the industrial re-organization.

MR. McRUER: What was the difficulty?

A. It was a Committee that was set up by a minority or following a minority report to the A.F.L. at the last convention dealing with the industrial form of organization.

BY THE COMMISSIONER: Q. What do you call this organization that is prohibited? A. The Committee for industrial organization, better known as the C.I.L.

MR. McRUER: Q. Is it anything of the nature of a national committee? A. No, it is still a part and not in any way derogatory to the tenets of the American Federation of Labour.

Q. Are you a textile worker yourself?

A. Yes, sir.

Q. Where were you employed? A. I was employed until July 18th of this year by Joseph Simpson Sons of Toronto.

Q. And what is Joseph Simpson Sons? A. They are a knitting mill.

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Is it still the same?

Restoration of labor. I believe at present they have

been suspended due to their activities with the

Convention they are still affiliated with the A.F.A.

By the Commission: For what reason are they

suspended?

of the industrial re-organization.

MR. BRYDIE: What was the difficulty?

It was a Committee that was set up by a minority

of following a minority report to the A.F.A. of the

first convention dealing with the industrial form of

organization.

By the Commission: What do you call this

organization that is prohibited?

for industrial organization, better known as the

MR. BRYDIE: Is it anything of the nature

of a national committee?

A. No, it is still

a part and not in any way derogatory to the interests

of the American Federation of Labor.

Are you a textile worker yourself?

A. Yes, sir.

ed until July 1st of this year by Joseph Starnes

the a Knitting Mill.

Q. In Toronto? A. Yes, sir.

Q. How many employees will they have?

A. About 550.

Q. Male and female I take it? A. Yes.

BY THE COMMISSIONER: Q. Is this woollens? A. Mostly cotton, they make cotton underwear and some woollen underwear, sweaters.

BY MR. McRUER: Q. Most of it is cotton? A. Yes.

Q. Have you a considerable membership in your Local here? A. No, not considerable, but some.

Q. What membership have you got? A. We have 45 registered with the head office and we are in the process of organization now.

Q. How long have you been trying to organize?

A. Since October of last year, about a year.

Q. And are you meeting with any opposition in your efforts to organize? A. Well, this is what has retarded our membership until this particular time, the opposition we have met.

Q. Where? A. Within the mills.

Q. And when you say that do you mean from the employees? A. From the employers.

Q. Now, what has been your experience in regard to that? A. Well, ---

Q. In the mill you worked in - I suppose you were working in the mill. Were you trying to organize the workers? A. This is where the organization started in our mill.

Q. In Toronto?

A. How many employees will they have?

A. About 550.

Q. And how many I take it?

A. Yes, sir.

Q. Now, are you a member of the organization?

A. Yes, sir.

Q. Have you a considerable membership in your local area?

A. No, not considerable, but some.

Q. What membership have you got?

A. We are registered with the local office and we are in the process of organization now.

Q. How long have you been trying to organize?

A. Since October of last year, about a year.

Q. And are you meeting with any opposition in your efforts to organize?

A. Well, this is what has retarded our membership until this particular time, the opposition we have met.

Q. Where?

A. Within the mill.

Q. And when you say that do you mean from the workers?

A. Now, what has been your experience in regard to that?

A. Well, ---

Q. In the mill you worked in - I suppose you were working in the mill. Were you trying to organize the workers?

A. This is where the organization started.

Q. In the mill?

A. Yes, sir.

Q. Now, are you a member of the organization?

A. Yes, sir.

Q. How many employees will they have?

A. About 550.

Q. And how many I take it?

Q. And were you trying to assist in the organization of the workers in the mill? A. Yes, sir.

Q. Tell me about your own experience in connection with that? A. It may be rather lengthy.

Q. Well, it will not be as long as the last witness, I guarantee you that? A. About 18 months

ago there was some inside the mill favouring the organization.

Q. You mean, among the employees? A. Yes, sir.

They met, a small group of them, and they continued to meet weekly, still as a small group, to try and develop some means of building up the organization.

But until October of last year we had no definite plans or any formulated line of policy, but at that time we drew up a constitution and by-laws and decided that after we would have sufficient financial strength we would affiliate with the American Federation of Labour. Shortly after this one of the girls

who was particularly active was discharged. They said there was no work for her but the day after she was fired another girl took her job and her foreman came to me and told me.

Q. Who was the foreman? A. Mr. Sweetman.

Q. What did he say? A. He told me that he was surprised that a fellow like me would be mixed up with such an organization.

Q. He was referring to? A. To the Union.

He said they were a bunch of reds and that Mr. Doherty--

And were you trying to assist in the organi-
zation of the workers in the mills?
A. Yes, sir.
Tell me about your own experience in connection
with that?
A. It may be rather lengthy.
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time we drew up a constitution and by-laws and
decided that after we would have sufficient financial
strength we would affiliate with the American Federation
of Labour.
Shortly after this one of the girls
who was particularly active was discharged. They
said there was no work for her but the day after she
was fired another girl took her job and her foreman
came to me and told me.
A. Who was the foreman?
A. Mr. Sweetman.
A. Well, the foreman?
He was surprised that a fellow like me would be asked
to join such an organization.
A. He was referring to?
A. To the Union.
As well as were a bunch of teas and that Mr. Doherty

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he was the Manager,- He was not particularly pleased when he heard I was in the organization, and I was trying to develop the organization.

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Q. Who was Mr. Doherty? A. He is the Manager of the mill. Well, this man talked to me about half an hour about the evils of trade unionism.

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Q. What did he say about the evils of trade unionism? A. He said they bred hatred for the manufacturers, and in my own particular case they had been good to me and I was getting about from \$5 to \$7 a week more than any of the other male workers there.

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Q. He said in your particular case the mill had been good to you? A. Yes.

Q. And you were getting what? A. From \$5. to \$7 a week more than the other majority, majority of the other male workers.

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Q. Was that a fact? A. Yes, sir.

Q. You were one of the better paid employees there? A. I guess you would call it better paid.

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Q. At any rate, that is what he told you and you agreed with it? A. Yes.

Q. What else did he say to you? A. Well, he said it was a dangerous business.

Q. What was a dangerous business? A. To be mixed up with trades union.

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Q. Did he explain why it would be dangerous? A. No, he was not explicit, he just inferred it might

He was the manager, - He was not particularly pleased when he heard I was in the organization, and I was trying to develop the organization.

Q. Who was Mr. Dobson?
A. He is the manager of the mill. Well, this man talked to me about

half an hour about the evils of trade unionism. Q. What did he say about the evils of trade unionism?
A. He said they bred hatred for

the manufacturers, and in my own particular case they had been good to me and I was getting about from \$5 to \$7 a week more than any of the other male workers there.

Q. He said in your particular case the mill had been good to you?
A. Yes.

Q. And you were getting what?
A. From \$5. Q. A week more than the other majority, majority of the other male workers.

Q. Was that a fact?
A. Yes, sir.

Q. You were one of the better paid employees there?
A. I guess you would call it better paid.

Q. At any rate, that is what he told you and you agreed with it?
A. Yes.

Q. What else did he say to you?
A. Well, he said it was a dangerous business.

Q. That was a dangerous business?
A. To be

Q. Did he explain why it would be dangerous?
A. No, he was not explicit, he just inferred it might

result in disaster for me.

Q. That is what you gathered from it, at anyrate?

A. Yes.

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Q. Whether that is what he meant or not. From what he said to you you thought the danger that was involved in belonging to trades union was that something would happen to your job? A. Yes.

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Q. Go on? A. And I gathered the impression that he had been sent there.

Q. Did you say anything to him about that?

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A. I asked him who sent him and he said he came down of his own accord. I said I was busy and I had a job to attend to, and if I wanted to belong to a trades union it was my own business.

Q. How long had you been working for the mill at that time? A. About 8 years at that time.

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Q. In what capacity? A. Well, my job was to supply the cutters with work, to give out the work.

Q. You were a sort of foreman? A. They call them straw bosses.

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Q. Had you started at that job or had you worked up to it? A. No, the job was advertised for a factory clerk. I applied for the job in 1923, the beginning of 1928 and I got it. My first job was carrying the rolls. There was a foreman there who told me what rolls to pick up and carry and to whom to take them.

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Q. What I am getting at is you started at

result in disaster for me.

Q. That is what you gathered from it, is that right?

A. Yes.

Q. Whether that is what he meant or not. From

what he said to you you thought the danger that was

involved in belonging to trades union was that something

would happen to your job? A. Yes.

Q. Go on? A. And I gathered that impression

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Q. Did you say anything to him about that?

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of his own accord. I said I was busy and I had a

job to attend to, and if I wanted to belong to a trades

union it was my own business.

Q. How long had you been working for the mill at

that time? A. About 8 years at that time.

Q. In what capacity? A. Well, my job was to

supply the cutters with work, to give out the work.

Q. You were a sort of foreman? A. They call

them straw bosses.

Q. Had you started at that job or had you worked

up to it? A. No, the job was advertised for a

factory clerk. I applied for the job in 1928,

the beginning of 1928 and I got it. My first job

was carrying trolleys. There was a foreman there

who told me what trolleys to pick up and carry and to

when to take them.

Q. And I am getting at is you started at

something less and you worked up until you had this job what is called a straw boss? A. Yes, sir.

Q. And in the meantime your wages increased?

A. In the first 18 months I got three raises of two dollars a week each time.

Q. And then after that discussion with the foreman about the Union activities, what happened following that? A. There were several attempts made, especially by the Manager, to get me out of there through this method---

Q. In what way? A. They said I was not doing my work properly.

Q. The Manager? A. Yes.

Q. Did he say that to you? A. Yes, sir.

Q. Complained to you about your work? A. Yes, sir.

Q. Up until the time you had commenced to be active in the formation of a union had you any complaints from the Manager about your work?

A. No, once in awhile there would be a mistake made, there would be a row about it but only once in awhile.

Q. Did he begin to complain more often?

A. He became persistent in his complaints.

Q. He became persistent in his complaints after you commenced to organize the union? A. Yes, after Mr. Sweetman's visit.

Q. About when was it that Mr. Sweetman visited you? A. About the beginning of October of last year.

something less and you worked up until you had this

Joe what is called a straw boss? A. Yes, sir.

. And in the meantime your wages increased?

A. In the first 18 months I got three raises of

two dollars a week each time.

. And then after that discussion with the

foreman about the Union activities, what happened

next? A. Well, the foreman said to me, "You are out of

here, especially by the foreman, to get me out of

here."

. In what way? A. They said I was not doing

my work properly.

. Did he say that to you? A. Yes, sir.

. Did he say that to you? A. Yes, sir.

. Convinced to you about your work? A. Yes, sir.

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active in the formation of a union had you any

complaints from the foreman about your work?

A. No, once in awhile there would be a mistake made,

there would be a row about it but only once in awhile.

. Did he begin to complain more often?

A. He became persistent in his complaints.

. He became persistent in his complaints after

you commenced to organize the union? A. Yes,

after Mr. Sweetman's visit.

. About when was it that Mr. Sweetman visited

you? A. About the beginning of October of 1934.

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Q. Well then, how did things go along after that?

A. Well, when I proved to the Manager that I was doing my work.

5 Q. Did you do that? How did you prove to the Manager you were doing your work? A. Because from the time I went in there until I was fired I developed a system of keeping records which was begun due to the fact that the first time they took stock after I went there I was accused of not doing my work, 10 and I saw I could get away from these accusations if I kept a record of all what took place in the mill. I proved from my department I was doing my work, the accusations against me were unfounded and the 15 matters proceeded more or less peacefully until another girl was fired.

Q. Who was that girl? A. Jenny Nichols.

THE COMMISSIONER: Q. Who was the first girl?

20 A. The first girl was Isabella Donaldson. These people are back to work and my mentioning names here may implicate them in further trouble. Isabella Donaldson is an experienced worker.

Q. Was she fired from this mill? A. Yes, sir.

25 Q. What experience did she have? A. Oh, she had been working in the card room for about 10 or 12 years.

Q. A good worker? A. Yes, excellent worker.

30 Q. And she got a job, some other place? A. Yes.

Q. And was someone taken on in her place in this

Q. Tell them, how did things go along after that?

A. Well, when I proved to the manager that I was

valued as well.

Q. Did you do that? How did you prove to the

Manager you were doing your work? A. Because from

the time I went in there until I was fired I developed

a system of keeping records which was passed on to

the fact that the first time they took stock after

I went there I was accused of not doing my work,

and I saw I could get away from these accusations

if I kept a record of all what took place in the mill.

I proved from my department I was doing my work,

the accusations against me were unfounded and the

managers proceeded more or less peacefully until

another girl was fired.

Q. Was that girl fired because of the same thing?

THE COMMISSIONER: Q. Who was the first girl?

A. The first girl was Isabella Donaldson. These

people are back to work and my mentioning names

was not sufficient to get them fired.

Isabella Donaldson is an experienced worker.

Q. Was she fired from this mill? A. Yes, sir.

Q. What experience did she have? A. Oh,

she had been working in the card room for about 10

or 12 years.

Q. A good worker? A. Yes, excellent worker.

Q. And she got a job, some other place? A. Yes.

Q. And she has been there for some time?

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mill? A. Immediately after she was fired.

Q. She was an experienced girl and got a job in some other mill? A. Yes, sir.

Q. And she had been active in connection with the Union? A. Yes.

Q. What had she been doing, how was her activities shown? A. Well, at lunch hours in the mill she would speak to the other girls about joining the Union.

Q. She was canvassing them to join the union? A. In lunch hours.

Q. That is Isabella Donaldson? A. Yes.

Q. In respect to the other girls? A. She was not so active, she was sympathetic to the union. Her husband was well known as a trade unionist in town and she was the best welder they had in the mill, she had that reputation about the mill.

BY THE COMMISSIONER: Q. What did her husband work at? A. He was a baker, but he is well known in Toronto as an active unionist. She was told that her services were no longer required since there was no work for her to do and the day after she was fired another girl took her place. Until July there was not any indication that they were bringing pressure to bear on me but at the beginning of July the Management informed me that I had to give out an extra roll per day. The girls were cutting seven rolls a day at this time and I was told they would have to do eight

Q. Immediately after she was fired.

A. She was an experienced girl and got a job

in some other mill? A. Yes, sir.

Q. And she had been active in connection with the

Union? A. Yes.

Q. What had she been doing, how was her activities

known? A. Well, at least known in the mill

she would speak to the other girls about joining the

Union.

Q. She was conversing with them to join the Union?

A. In such terms.

Q. That is Isabella Densmore?

A. Yes.

Q. In respect to the other girls?

A. She was

not so active, she was sympathetic to the Union.

Her husband was well known as a trade unionist in

town and she was the best friend they had in the mill.

Q. She had that reputation about the mill.

BY THE COURT: Q. What did her husband work

A. He was a baker, but he is well known

in Toronto as an active unionist. Q. She was told that

her services were no longer required since there was

no work for her to do and the day after she was fired

another girl took her place. Until July there was not

any indication that they were bringing pressure to

bear on me but at the beginning of July the management

informed me that I had to give out an extra roll

per day. The girls were cutting seven rolls a day

at this time and I was told they would have to do so

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rolls a day. I talked it over with the girls at lunch-hour and they said they would not do it, since they would not receive any more money for it.

5 Q. Were they not on piece work? A. No, on time work.

Q. And the Management wanted to increase from seven rolls to eight rolls? A. Yes, sir.

10 Q. And you might just tell me what the operation was? A. Well, they were cutters.

Q. Cutting what? A. Cutting underwear.

Q. And you were asked to give out eight rolls? A. Yes, sir.

15 Q. How long had you been working on the seven rolls? A. They had been working on seven rolls from the time it was increased from six rolls, which was about two years before that.

Q. For about three years? A. Yes, sir.

20 BY THE COMMISSIONER: How many hours work does that represent? A. They work eight hours a day.

MR. McRUER: Eight hours a day? ----

THE COMMISSIONER: The idea was to add one-seventh to their work?

25 MR. McRUER: Q. Well, was it the same number of girls?

A. This is the reason why the girls refused to do it.

30 Q. Were they expecting the same number of girls to do the eight rolls as the seven? A. Well, that is something we cannot be definitely sure about,

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rolling day. I talked it over with the girls at lunch-
hour and they said they would not do it, since they
would not receive any more money for it.

Q. Were they not on piece work?
A. No, on ti-
work.

Q. And the management wanted to increase from
seven rolls to eight rolls?
A. Yes, sir.

Q. And you might just tell me what the objection
was?
A. Well, they were outcast.

Q. Cutting what?
A. Cutting on the west.
Q. And you were asked to give out eight rolls?
A. Yes, sir.

Q. How long had you been working on the seven
rolls?
A. They had been working on seven rolls
from the time it was increased from six rolls, which
was about two years before that.

Q. The same thing?
A. Yes, sir.
BY THE COMMISSIONER: How many hours work does

that represent?
A. They work eight hours a day.
Q. Member: Eight hours a day? ---

THE COMMISSIONER: The idea was to add one-seventh
to their work?

MR. MEMBER: Q. Well, was it the same number

of girls?
A. This is the reason why the girls
refused to do it.

Q. Were they expecting the same number of girls

to do the eight rolls as the seven?
A. Well, that
something we cannot definitely state about,

but this is the reason why the girls did not do it because they felt if they did an extra roll each day, there would be seventeen cutters and this would mean two cutters would be laid off.

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THE COMMISSIONER: Q. The production is seven rolls per girl per day? A. Yes.

MR. McRUER: Q. It was seven rolls per girl per day? A. Yes, sir.

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THE COMMISSIONER: It would increase the production of each girl by one-seventh?

BY MR. McRUER: Q. And it had been increased about three years ago from six rolls to seven? A. Yes.

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Q. Well, the girls objected to this? A. Yes, they refused to do them.

Q. About what time did this matter come up - do you know what date in July? A. No, it may have been towards the end of June.

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Q. I was just wondering if you could relate it to the very intense hot spell that was on in Canada? A. It was just before that.

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Q. And what happened after the girls refused to do this? A. Well, I was instructed not to give out any more than seven rolls to each girl, I was instructed by the Assistant Manager, and about three weeks after that on Saturday about noon ---

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BY THE COMMISSIONER: Q. Who was the assistant Manager? A. Mr. Hanks.

MR. McRUER: Q. Did you tell him that the girls

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but this is the reason why the girls did not do it
because they felt it they did an extra roll each day,
there would be seventeen rollers and this would mean

the rollers would be 17 in all.

THE COMMISSIONER: The production is seven rolls

per girl per day? A. Yes.

MR. BRYDIE: It was seven rolls per girl per day

Yes, sir.

THE COMMISSIONER: It would increase the production

of each girl by one-seventh?

MR. BRYDIE: And it had been increased about

three years ago from six rolls to seven? A. Yes.

Q. Well, the girls objected to this? A. Yes,

they refused to do them.

What was the day when they

do you know what date in July? A. No, it may have

been towards the end of June.

A. I was just wondering if you could relate it

to the very intense hot spell that was on in Canada?

A. It was just before that.

Q. And what happened after the girls refused

to do this? A. Well, I was instructed not to

give out any more than seven rolls to each girl.

I was instructed by the Assistant Manager, and about

three weeks after that on a Sunday about noon ---

THE COMMISSIONER: Who was the Assistant

Manager? A. Mr. Drake.

MR. BRYDIE: Did you tell him that the girls

objected to the increase? A. Yes.

Q. And what did he say about it? How did you arrive at the instructions that you got from him?

5 A. Well, he said to give it out for two or three days and see how it would work out.

BY THE COMMISSIONER: Q. That is the seven?

10 A. No, the eight, but the girls just cut the seven and left the other roll at the end of their table and after three days they had three rolls there and Mr. Hanks went to one or two of the girls and was very nice to them, talked about the good old times but he was not able to break down their determination that they could only do seven rolls. Their contention was that it was impossible to do eight rolls, and I believe it was too. Well, after three days

15 Mr. Hanks told me just to give out seven rolls a day after that. It was just about this time that the hot spell came on and several girls had fainted from the heat, it was intensely hot in this room and the girls decided they would like to go home. We had a foreboding ---,

20 Q. What is her name? A. A Miss Pears, and the girls went to Miss Pears and asked that they be allowed to go home. Well, it would be just so warm outside, they could not work in the humidity that they were working under. She took it up with Mr. Hanks and he said no, to stick it out the rest of the day.

objected to the increase?
A. Yes.
And what did he say about it? How did you
...
Well, he said to give it out for two or three
days and see how it would work out.
BY THE COURT: Is that the answer?
No, the eight, but the girls just got the seven
and left the other roll at the end of their table
and after three days they had three rolls there and
Mr. Banks went to one or two of the girls and was
very nice to them, talked about the good old times
one he was not able to break down their determination
at the could only do seven rolls. Their contention
was that it was impossible to do eight rolls, and
I believe it was too. Well, after three days
Mr. Banks told me just to give out seven rolls a day
after that. It was just about this time that the
not spell came on and several girls had fainted from
the heat, it was intensely hot in this room and the
girls decided they would like to go home. We had
...
Q. What is her name?
A. Miss Perry.
and the girls went to Miss Perry and asked that they
be allowed to go home. Well, it would be just
warm outside, they could not work in the humidity
that they were working under. She took it up with
...
Banks and he said he, to stick it out the rest
of the day.

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Q. Was there any artificial humidity in the room,

A. No, not in that room.

Q. Well, go on? A. Well, she came back

from Mr. Hanks with an unsatisfactory answer and the girls said that the only way they could get it fixed was to petition Mr. Hanks, and they asked me if I would send a petition around.

Q. What were you petitioning for? A. To be allowed to go home for the afternoon.

Q. About what time of day would this be?

A. About half past ten in the morning.

Q. Can you tell us about what temperature it was outside at that time? A. It would be around 100 but it was 112 inside.

Q. Do you remember what day it was? You do not remember the date? A. No.

BY THE COMMISSIONER: Q. What would make it 112 inside? A. Well, the cutting room is situated over the dye house and in the dye house there was two what they call Hurricane dryers to dry the cloth and at the side of the cutting room along one wall was another drying room and this caused intense heat.

MR. McRUER: Q. During that warm spell the temperature ran more than 100 in Toronto?

A. Yes, but as it went up on the outside it added correspondingly on the inside.

Q. Go ahead and tell us?

Q. Was there any artificial humidity in the room?

A. No, not in that room.

Q. Well, go on? A. Well, the same back

to Mr. Hanks with an unsatisfactory answer and the
girls said that the only way they could get it fixed
was to petition Mr. Hanks, and they asked me if I

would send a petition around.

Q. What were you petitioning for? A. To be

allowed to go home for the afternoon.

Q. About what time of day would this be?

A. About half past ten in the morning.

Q. Can you tell me about what temperature it

was outside at that time? A. It would be around

100 but it was 115 inside.

Q. Do you remember what day it was? You do not

remember the day? A. No.

BY THE COURT: Q. What would make it 115

inside? A. Well, the cutting room is situated

over the dye house and in the dye house there was

two what they call hurricane dryers to dry the

cloth and at the side of the cutting room along one

wall was another drying room and this caused intense

A. Yes, but as it went up on the outside it added

correspondingly on the inside.

Q. So ahead and tell me

BY THE COMMISSIONER: Q. You said some of the girls
fainted? A. Yes.

Q. That very day? A. Yes, sir.

MR. Mcruer: Q. It was about half past ten in the
5 morning this agitation got up about the petition to
go home? A. Yes. Asked me if I would send
it around and I said I would and naturally since I
had been active in trade unionism I put my name at
10 the top of the list. Everybody signed the petition
and it was taken to Mr. Hanks and he came up and told
me I was fired.

Q. That day? A. Yes.

Q. So that it was this warm day, the day that the
15 petition was circulated, that you were fired?
A. No, but I did not go home I stayed there.

Q. The day you were told you were fired? A. Yes,
20 sir. I kept on working and I did not go home in
the afternoon.

Q. Did the girls go? A. No.

Q. What did he say about this petition of the
25 girls? A. He said that any one in my position
should have more sense than to start agitations
like this among the girls.

Q. That was the answer that you got to the
petition? A. Yes.

Q. All right, go ahead? A. Well, I worked there,
30 it was Friday, because I worked there another week
and a day before I was paid off.

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Q. Now, I am going to ask you a few questions about the
petition. Did you see the petition when it was
first presented to you?

A. Yes, I saw it. It was about the petition to
the Board of Education.

Q. Now, I am going to ask you a few questions about the
petition. Did you see the petition when it was
first presented to you?

A. Yes, I saw it. It was about the petition to
the Board of Education.

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the Board of Education.

Q. Now, I am going to ask you a few questions about the
petition. Did you see the petition when it was
first presented to you?

A. Yes, I saw it. It was about the petition to
the Board of Education.

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You asked me what day it was.

Q. All right, you worked another week and a day?

A. Yes.

5 Q. What day were you paid off? A. I was paid off on Saturday.

Q. What day of the month? A. I think it was the 18th, I am not exactly sure, but I believe.

10 BY THE COMMISSIONER: Q. That is July? A. Yes. When I was paid off I was told that my work was not satisfactory.

15 Q. Was there any complaints or had there been any complaints about your work the day that Mr. Hank told you you were fired, the day the petition was circulated up until the day you were paid off?

A. No, no complaints.

Q. No complaints made to you about your work?

A. No.

20 Q. So that eight days later you were fired on account of your work? A. Yes.

Q. Although no interim complaint had been made?

25 A. No. As a matter of fact during those eight days I spoke to Mr. Hanks about the improvement that could be made on the keeping of the records of the rush orders and he said that it was a good idea, and I believe they have adopted it since.

30 MR. KELLOCK: Q. Do you know? A. Not for sure, but I do know - well, to go back to the story. He said after I mentioned to him that it was going to

asked me what day it was.

Q. All right, you worked another week and a half?

A. Yes.

Q. What day were you paid off?

A. Off on Saturday.

Q. What day of the month?

A. I think it was the 13th, I am not exactly sure, but I believe so.

Q. BY THE COURT, what is that date?

A. When I was paid off I was told that my work was not

finished.

Q. Now there any complaints or had there been any

circulated up until the day you were paid off?

A. No, no complaints.

Q. No complaints made to you about your work?

A. No.

Q. So that eight days later you were fired on

account of your work?

A. Although no interim complaint had been made?

Q. No. As a matter of fact during those eight days

I spoke to Mr. Hanks about the improvement that could

be made on the keeping of the records of the train

orders and he said that it was a good idea, and I

believe they have adopted it since.

Q. Now, tell me, do you know?

A. Not for sure.

Q. Now, tell me, do you know?

A. Not for sure.

be particularly tough at this time since my wife was expecting a baby, that if I did not locate anything in a couple of days to come back.

Q. He said that to you? A. Yes, sir.

"Well," I said, "is not that a pretty forlorn hope?" and he said, "Yes, I guess it is." Well, since that time---

Q. Did he tell you what was the matter with your work that he was firing you? A. No, he just said he did not like the way it was being done.

Q. But he made no specific charges against you?

A. No.

Q. Or give you any indication of where you could better your work or anything like that? A. No, sir.

Q. BY THE WAY, are you a married man? A. Yes, sir.

Q. Have you any children now? A. Two.

Q. And at this particular time you drew his attention to the fact that your wife was expecting a baby? A. Yes, sir.

Q. And what wages were you getting at that time?

A. Eighteen dollars a week.

Q. And do you say the foreman said you were paid \$6 or \$7 a week more than other employees?

A. Yes.

Q. Well then, go on and tell us about what developed after that. You were told that you might go and a forlorn hope pretty much - what went on after that? A. Well, I had some personal

be particularly tough at this time since my wife was
expecting a baby, that if I did not leave anything
in a couple of days to come back.

Q. He said that to you? A. Yes, sir.

"Well," I said, "is not that a pretty foreboding hope?"
and he said, "Yes, I guess it is." "Well, since he

time---

Q. Did he tell you what was the matter with your wife?
A. No, he just said that he was firing you?

he did not like the way it was being done.

A. But he made no specific charges against you?

A. No.

Q. Or give you any indication of where you could

better your work or anything like that? A. No, sir.

Q. By the way, are you a married man? A. Yes, sir.

Q. Have you any children now? A. Two.

Q. And at this particular time you drew his

attention to the fact that your wife was expecting a

baby? A. Yes, sir.

Q. And what wages were you getting at that time?

A. Eighteen dollars a week.

Q. And do you say the Foreman said you were

paid \$6 or \$7 a week more than other employees?

A. Yes.

Q. Will you, please, tell me what you said to him?

A. Yes, sir, I said, "You are paid \$6 a week more than

the other employees, and you are saying that I am not

getting my money's worth, and you are saying that I am not

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belongings there and I wanted to wrap them up and I went to the shipping room and I got some brown paper to wrap them up and the superintendent followed me over there.

Q. Who is the superintendent? A. Mr. Keeler.

He waited there until I got the paper and he followed me back. By the way, they gave me a week's pay in advance, which is a matter of historical interest in Simpson's.

Q. He gave you a week's pay on firing you?

A. Yes.

Q. Did he explain why he was paying you a week's pay if you were being fired on account of bad work?

A. No, he just said, "There is a week's pay there in lieu of notice," and I did not question---

BY THE COMMISSIONER: Q. Paid by the week or two weeks? A. I was paid every two weeks but we were paid by the hour.

MR. McRUER: Q. All right. A. I left the mill, it was almost noon when this happened. Well, I looked around to see if I could get another job for a couple of days and then we decided in the union that I should be appointed organizer for Toronto and district and we worked out a plan of work, concentration on the Toronto mills and the first step here was to visit Simpson's with the loud-speaking equipment, and we addressed the workers on the following Wednesday, at 5 o'clock as they came out

belonging there and I wanted to wrap them up and I
went to the shipping room and I got some brown paper
to wrap them up and the superintendent followed me
over there.
Q. Who is the superintendent? A. Mr. Keeler.
He waited there until I got the paper and he followed
me back. By the way, they gave me a week's pay
in advance, which is a matter of historical interest
in Simpson's.
Q. He gave you a week's pay on firing you?
A. Yes.
Did he explain why he was paying you a week's
pay if you were being fired on account of bad work?
A. No, he just said, "there is a week's pay there
in lieu of notice," and I did not question---
BY THE COMMISSIONER: Q. Paid by the week or two
weeks? A. I was paid every two weeks but he
were paid by the hour.
MR. McHUGH: Q. All right. A. I left the
mill, it was almost dark when this happened. Well,
I looked around to see if I could get another job
for a couple of days and then we decided in the
union that I should be appointed organizer for Toronto
and district and we worked out a plan of work,
concentration on the Toronto mills and the first
stop here was to visit Simpson's with the loud-speak-
ing equipment, and he addressed the workers on the
following Wednesday, at 5 o'clock as they came out

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of the mill. Well, a fair group stood there and listened to us and Mr. Doherty, the manager, came out on the sidewalk and spoke to Mr. Denison.

Q. Who is Mr. Denison? A. He is member of the C.C.F. I believe in South Rosedale, they call it the district.

Q. Outside of being a member of the C.D.F. is he interested in trades unionism? A. Yes.

Q. Did he represent any authentic organization?

A. No, I believe this organization has a trade union committee recently set up to help develop trade organization;.

Q. Did he assist you? A. He loaned us the loud speaking equipment.

Q. Did you hear what Mr. Doherty said to him?

A. Well, I was speaking to the workers as they came out the mill and Mr. Doherty came over to about within six feet of him and he said to Denison, "What is this fellow trying to do?" and then he turned and walked away and Denison reported to me that he said, "My workers are satisfied here and if we have any more dissatisfied workers like this fellow was they will get the same treatment as this fellow."

Well, three days after that my sister, who was employed in the Finishing Department, was notified one Saturday morning, on the Saturday morning, that there was not much work and she need not bother coming in any more.

Q. How long had she been in the finishing Department?

of the mill. Well, a fellow from about there had
listened to us and Mr. Doherty, the manager, came out
on the sidewalk and spoke to Mr. Doherty.

.. Who is Mr. Doherty? .. He is manager of the
O.C.F. I believe in North Toronto, they call it the

..

.. Outside of being a member of the O.C.F. is he

..

.. Did he represent any economic organization?

.. No, I believe this organization has a trade union

committee recently set up to help develop trade

.. Did he assist you? .. He loaned us the

..

.. Did you hear what Mr. Doherty said to him?

.. Well, I was speaking to the workers as they

came out the mill and Mr. Doherty came over to about

within six feet of him and he said to Doherty, "What

is this fellow trying to do?" and then he turned

and walked away and Doherty reported to me that he

said, "My workers are entitled here and if we have

any more dissatisfied workers like this fellow and

they will get the same treatment as this fellow."

.. Well, three days after that my sister, who was

employed in the finishing department, was notified

..

there was not much work and she used not bother coming

.. in any more.

.. How long had she been in the finishing department?

5 A. She had been working there for about two years but she learned her finishing there about seven years ago. Worked there a couple of years and then she left and worked other places and came back to Simpsons.

Q. Do you know if any person employed to do the work she has been doing? A. I have not been able to ascertain that.

10 Q. Three days after you had addressed the workers your sister got let out? A. Yes, sir.

Q. What happened next? A. Well, I was told, and the source of my information is authentic.

15 MR. KELLOCK: My lord, I submit if this is going to be hearsay---

MR. McHUR: No, better not get in too much what you were told. You can tell your own experience.

Q. Did you do something as a result of what you were told? A. No.

20 Q. Well, did you have any further relations with the mill? A. No.

Q. Have you been able to get members in the mill to join your organization since then? A. Yes.

25 Q. To what extent? A. Well, in consideration of the amount of work we had done in there I would say a reasonable extent.

Q. How many would you get? A. There are six altogether.

30 Q. Six out of how many employees? A. 550.

Q. Now, from your conversation with the ~~xxx~~ employees

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A. She had been working there for about two years
but she learned her finishing there about seven years
ago. Worked there a couple of years and then she
left and worked other places and came back to Simpson's.
Q. Do you know if any person employed to do the
work she has been doing? A. I have not been
able to ascertain that.
A. There says other you had reassured the worker
your sister got lost out? A. Yes, sir.
Q. What happened next? A. Well, I was told,
and the source of my information is authentic.
MR. KILBICK: My lord, I submit it this is going
to be hearsay---
MR. KILBICK: No, better not get in too much what
you were told. You can tell your own experience.
Q. Did you do something as a result of what you
were told? A. No.
Q. Well, did you have any further relations with
the mill?
A. Have you been able to get members in the mill to
have your representative there now?
Q. To what extent? A. Well, in consultation
of the amount of work we had done in there I would
say a reasonable extent.
Q. How many would you get? A. There are six
A. Six out of how many employees? A. Six.
Now, from your conversation with the two employees

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did they indicate that they wanted to belong to your organization? . Yes, they favoured trade unionism but almost they said, without exception, they said, "If we join trade unions we will get fired."

Q. That was their attitude, rightly or wrongly, that is the way they felt about it. They wanted to belong to it but felt if they did belong their jobs would be in danger? A. Yes.

Q. Now, Mr. Welch, you have given me a memo in which you indicate some things that you think are important to come before the Commission in respect to wages that are paid by various textile mills. I may say that we are having a complete survey made of the pay rolls. That is all being done and we will have the actual records to put before the Commission in regard to the wages of practically all the Textile mills. So that is going to be very carefully and thoroughly covered. We will not deal with averages or anything of that sort but we are getting the individual pay rolls that shows ~~show~~ how much each worker has been paid and they are being analysed by experts, &c., &c., so I do not need to go into that. Now, is there anything else that you think should be drawn to the attention of the Commission pertaining to your union or your efforts to organize or pertaining working conditions in the mills?

A. Well, I think that while this Commission is investigating this industry that they should concentrate

did they indicate that they wanted to belong to your organization? Yes, they favored these unions.

but almost they said, without exception, they said,

"If we join these unions we will not find."

Q. That was their attitude, rightly or wrongly,

that is the way they felt about it. They wanted to

belong to it and felt if they did belong their jobs

would be in danger? A. Yes.

Q. Now, Mr. Welch, you have given us a memo

in which you indicate some statements you think are

important to come before the Commission in respect to

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of the pay policy. That is all being done and we will

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mills. So that is going to be very carefully and

thoroughly covered. We will not deal with averages

or anything of that sort but we are getting the

individual pay rolls that show how much each

worker has been paid and they are being analyzed by

experts, no, no, no I do not need to go into that.

Q. Is there anything else that you think should

be drawn to the attention of the Commission pertain-

ing to your union or your efforts to organize or

improving working conditions in the mills?

A. Yes, I think the Commission is

interested in the history of the industry and the

some attention on the persecution that is being visited on people that is trying to organize trade unions in the trade.

5 Q. Well, we have done that in the Province of Quebec all along the line. We are ferreting out any evidence there is in regard to that and if you have any others that you suggest that can give evidence in regard to it I will be very glad to have them
10 called, but that is the way you feel, the attitude that has been displayed towards your organization, at any rate? A. Yes.

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Mr. Justice, I think I have just asked the witness

Mr. Justice, I think I have just asked the witness

20 Mr. Justice, I think I have just asked the witness

Witness:

Mr. Justice, I think I have just asked the witness

Mr. Justice, I think I have just asked the witness

25 Mr. Justice, I think I have just asked the witness

Mr. Justice, I think I have just asked the witness

Mr. Justice, I think I have just asked the witness

Mr. Justice, I think I have just asked the witness

Witness: I am not sure I can answer that.

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some attention on the presentation that is being
visited on people that is trying to organize trade
unions in the trade.

Q. Well, we have done that in the province of
Ontario all along the line. We are forgetting out
any evidence there is in regard to that and if you

have any others that you suggest that can give evidence
in regard to it I will be very glad to have them

called, but that is the way you feel, the attitude
that has been displayed towards your organization,

at any rate? A. Yes.

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Q. Now, is there anything else now, Mr. Welch?

A. There is just one statement I would like to make. It is in connection with the Simpson Knitting Mills. While I felt during the time I worked there I was doing two people's work I am convinced I was because there are two people doing my job now.

Q. Two people employed to do the same work that you had been doing? A. Yes.

Q. Thank you very much, Mr. Welch.

THE COMMISSIONER: Just a minute; Mr. Kellock, is there any cross-examination? I was going to say if you are we will take a few minutes first.

MR. KELLOCK: My lord, I was only going to suggest that as I haven't any instructions regarding this particular witness I wondered if he could be made available sometime when I have instructions. I would have to cross-examine more or less in the dark.

MR. McRUER: Could you be ready tomorrow?

MR. KELLOCK: Yes.

MR. McRUER: I think Mr. Welch can come back tomorrow.

THE WITNESS: Tomorrow morning.

THE COMMISSIONER: Of course, there are the employers, the executive parties whom he names.

MR. KELLOCK: Yes, I never heard of this gentleman who is the box.

THE COMMISSIONER: All right, you will have until tomorrow to get ready to meet this.

-- Whereupon the Commission adjourned for a short recess.

Q. There is just one statement I would like to make.
It is in connection with the Simpson Building.

A. I am not sure of the date, but I am convinced I was because
there are two people doing my job now.

Q. Two people employed to do the same work that
you had been doing?
A. Yes.
Q. Thank you very much, Mr. Kellock.

THE COMMISSIONER: Just a minute; Mr. Kellock,
is there any cross-examination? I was going to
say if you are we will take a ten minute break.

MR. KELLOCK: My lord, I was only going to suggest
that as I haven't any instructions regarding this
particular witness I wondered if he could be made

available sometime when I have instructed one. I would
like to cross-examine him in the afternoon.
MR. MURPHY: Could you be ready tomorrow?

MR. KELLOCK: Yes.
MR. MURPHY: I think Mr. Welch can come back
tomorrow.

THE WITNESS: Tomorrow morning.
THE COMMISSIONER: Of course, there are the
employers, the executive parties whom he names.

MR. KELLOCK: Yes, I never heard of this gentleman
who is the box.
THE COMMISSIONER: All right, you will have until

tomorrow to get ready to meet this.
-- Whereupon the Commission adjourned for a short
time.

-- Upon resuming.

JAMES F. MARSH, sworn,

EXAMINED BY MR. McRUER:

5 Q. Mr. Marsh, you are Deputy Minister of Labour
of the Province of Ontario? A. Yes, sir.

Q. How long have you been Deputy Minister of
Labour? A. The latter part of August, 1934.

10 Q. And you have been connected with labour
matter for how long? A. I was a paid
official in the labour movement for 22 years.

Q. What office did you hold with the labour
organizations? A. I started by being
business agent for the Carpenters' Union.

15 Q. For the Carpenters' Union? A. Yes,
and later general representative of the same
organization.

BY THE COMMISSIONER: Q. 22 years?

A. Yes, sir.

20 Q. What were you last? A. General
representative of the Brotherhood of Carpenters.

BY MR. McRUER: Q. When did you enter the service
of the Government? A. The latter part
25 of August, 1934.

BY THE COMMISSIONER: Q. You do not still occupy
this other position? A. Oh no.

A. MR. McRUER: He is Deputy Minister of Labour
now.

30 THE COMMISSIONER: He has given up--

MR. McRUER: Given up his affiliations with the
labour unions.

— THE REPORTER —

THE REPORTER: —

EXAMINED BY MR. MORRIS:

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Q. Mr. Morley, you are Deputy Minister of Labour

of the Province of Ontario?

A. Yes, sir.

Q. How long have you been Deputy Minister of

Labour?

A. The latter part of August, 1934.

Q. And you have been connected with Labour

matter for how long?

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A. I was a paid

official in the Labour movement for 22 years.

Q. What office did you hold with the Labour

movement?

A. I was a business agent for the Carpenters' Union.

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Q. For the Carpenters' Union?

A. Yes, sir.

Q. How long?

A. For 22 years.

Q. What were you last?

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A. General

representative of the Brotherhood of Carpenters.

BY MR. MORRIS: Q. When did you enter the service

of the Government?

A. The latter part

of August, 1934.

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BY THE COMMISSIONER: Q. You do not still occupy

this other position?

A. Oh no.

Q. Mr. Morley: He is Deputy Minister of Labour

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THE WITNESS: Yes - I beg your pardon, I still--

BY MR. McRUER: Q. Not your affiliations?

A. I still maintain my membership but I have given up office.

5 Q. Yes; Mr. Marsh, what I want to ask you particularly--

BY THE COMMISSIONER: Q. Before you ask that, I did not get the name of your labour organization; what do you call it?

10 A. The full name, sir, is the United Brotherhood of Carpenters and Joiners of America.

Q. It is also in the United States?

15 A. It is an international organization affiliated with the American Federation of Labour and the Canadian Trades and Labour Congress.

BY MR. McRUER: Q. What I want to examine you particularly about, Mr. Marsh, is the operation of the Industrial Standards Act in the Province of Ontario. The Industrial Standards Act was passed in what year? A. 1935.

20 Q. That is in the first session of Parliament following your appointment as Deputy Minister of Labour? A. Yes, sir.

25 Q. And have you got a copy of the Act there that we could see? Will you give a copy to his lordship please? You have got another copy for me, haven't you? A. Yes, I only brought three.

30 THE COMMISSIONER: Perhaps we better file this so we will know where to find it.

THE WITNESS: Yes - I don't know, I still--

BY MR. MOORE: A. Not your attention?

A. I still maintain my membership but I have given up

office.

Q. Yes, Mr. Moore, what I want to know is

particularly--

BY THE COMMISSIONER: A. Now, you said that, I

did not get the name of your fellow organization;

what do you call it?

A. The full name, sir, is the United Brotherhood of

Manufacturers and Miners of America.

Q. It is also in the United States?

A. It is an international organization affiliated

with the American Federation of Labor and the

Canadian Union of Public Employees.

BY MR. MOORE: Q. What I want to examine you

particularly about, Mr. Moore, is the operation of

the Industrial Standards Act in the Province of

Quebec. The Industrial Standards Act was passed

in that year?

Q. That is in the first session of Parliament

following your appointment as Deputy Minister of

Industry?

A. Yes, sir.

Q. And have you got a copy of the Act there

that we could see? Will you give a copy to his

lordship please? You have got another copy for

me, haven't you?

A. Yes, I only brought

THE COMMISSIONER: Perhaps we better file this

so we will know where to find it.

MR. McRUER: I have filed a copy, yes; I have given the clerk one.

THE COMMISSIONER: Not as an Exhibit?

MR. McRUER: Yes, as an Exhibit.

THE COMMISSIONER: Then, it will be number 663.

EXHIBIT 663: Industrial Standards Act, 1935.

BY MR. McRUER: Q. Now, the first operative section in the Act is section number 3 which provides for the appointment of an Industrial Standards Officer. That has been done, hasn't it?

A. Yes, sir.

Q. And the Act has been in operation for how long?

A. Since it was declared, or approved by the Lieutenant-Governor in Council.

THE COMMISSIONER: Assented to.

BY MR. McRUER: Q. It was assented to on the 18th of April, 1935; of course, following that certain regulations had to be set up to get it into operation. Then, when was the first application of the Act?

A. Well, I cannot give you the exact date but it was very shortly after it was assented to.

Q. Well, that is all right; now, will you just outline to me how the Act operates? Section 5 provides for certain zones to begin with. Just tell the Commissioner now what you do under this Act and the effect of it?

A. Might I tell it in my own way, sir?

Q. Yes, just go ahead, that is what I wanted you to come here for, just to tell it. We can ~~read~~ read the Statute but we want to know what you do with it?

A. Well, the object of this piece of legislation is

MR. McNEIL: I have filed a copy, yes; I have

given the clerk one.

THE COMMISSIONER: Not an exhibit?

MR. McNEIL: Yes, as an exhibit.

THE COMMISSIONER: Then, it will be number 63.

MR. McNEIL: I have filed a copy, yes; I have

BY MR. McNEIL: Q. Now, the first operative section

in the Act is section number 3 which provides for the

appointment of a Technical Standards Officer. That

has been done, hasn't it? A. Yes, sir.

Q. And the Act has been in operation for how

long? A. Since it was passed, or

approved by the Lieutenant-Governor in Council.

THE COMMISSIONER: Assented to.

BY MR. McNEIL: Q. It was assented to on the 12th

of April, 1935; of course, following that certain

regulations had to be set up to get it into operation.

Then, when was the first application of the Act?

A. Well, I cannot give you the exact date but it

was very shortly after it was assented to.

Q. Well, that is all right; now, will you just

outline to me how the Act operates? Section 3

provides for certain zones to begin with. Just

tell the Commissioner now what you do under this Act

and the effect of it?

A. Right I tell it in my own way, sir?

Q. Yes, just go ahead, that is what I wanted you

to come here for, just to tell it. We can finish now

the question of the subject of this piece of legislation is

A. Well, the subject of this piece of legislation is

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for the purpose of stabilizing labour costs in industry. Where industry itself is composed of employers and employees we feel that something of this kind is needed. In other words, it is a voluntary piece of legislation. The industry may have it if they want it and if they don't desire it they don't need to take advantage of it.

Q. How do you do that? That is the object of it but how do you do it?

A. Then, in order to take advantage of it it is necessary for employers or employees or both to petition the Minister to convene a conference for the purpose of negotiating as to - of enquiring and negotiating - enquiring into the conditions of the industry and for the purpose of negotiating a wage schedule covering wages and hours of labour. In many cases we have received joint petitions. In many cases--

BY THE COMMISSIONER: Q. That is from the employers as well as the employee? A. Yes, sir. In

many cases employers have petitioned before we received any intimation whatever from employees. In other cases the employees are the first to send in the petition. As I have already stated we, in many cases, have joint petitions where the employers and employees have got together and decided that it might be good for them and have petitioned to bring about a conference. Our policy is to hold what we call a preliminary conference; in other words, it may be said to be unofficial. If we have had a point

for the purpose of stabilizing labour costs in industry. Where industry itself is composed of employers and employees we feel that something of this kind is needed. In other words, it is a voluntary piece of legislation. The industry may have it if they want it and if they don't desire it they don't have to take advantage of it.

Q. How do you do that? That is the object of it but how do you do it?

A. That, in order to take advantage of it it is necessary for employers or employees or both to petition the Minister to convene a conference for the purpose of negotiating as to - of enquiring and negotiating - enquiring into the conditions of the industry and for the purpose of negotiating a wage schedule covering wages and hours of labour. In many cases we have received joint petitions. In many cases--

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petition then we call in representatives of both employers and employees in one of these preliminary conferences and learn from them what they have in mind to do. We find out if we can who they represent and how many, and how many there may be in the industry, how many employers and how many employees. Based upon information we gather as to how many employers may be a proper and sufficient representation of the industry and having satisfied ourselves that if we call an official conference there would be proper and sufficient representation present - whether they were in agreement or not, sir, but they would at least be there - we would proceed to call a conference by advertising in the press stating of course in the advertisement what industry is covered.

Q. BY MR. McPHER: Do you notify the industries as far as you know of them by an official notice from the Government?

A. Well, in the first instance in holding the preliminary conferences we have already had contact with a great many employers, or employers' associations, and we have already had contact with the employees, and if they have an organization, with their organization so in that respect we have already notified them personally as a result of getting their petition and having this preliminary conference, but in addition to advertising we send copies of the advertisement to many of the employers whom we know to be in the industry as well as to trade union organizations, or other associations of employees, and in that way we make as many contacts

will be that we will be very much interested in

employers and employees in one of these preliminary

conferences and learn from them what they have to

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and how many, and how many there may be in the

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we send copies of the advertisement to many of the

employers whom we know to be in the industry as well

as we have some representatives of the employees

of employers, and in that way we have a very

as we can on both sides, employers and employees.

Q. In other words, you try to get as wide a representation of both employers and employees at the conference as you can?

5 A. Yes, at the conference, so that we can have a fairly good cross-section of opinion from the industry, both from the employers' point of view as well as the employees'. In some cases groups of employers and employees have had meetings before
10 petitioning and they have reached an agreement on what the wages may be and what the hours may be. They have perhaps signed an agreement but insofar as the department is concerned we pay little
15 attention to that inasmuch as we only cover wages and hours whereas the ordinary trade union agreement covers many other things. Under the Act as it was first drafted in drafting the schedules we did follow the procedure very closely, the procedure
20 that was in practice as between groups of employers and employees where they had been agreeing to rates of wages and working conditions, but we found that we were using language that did not stand up in Court, sir, so we had to change our method this
25 year.

BY THE COMMISSIONER: Q. Have you had cases in Court over this?

A. Yes, we have.

Q. You want to look up some of them, Mr. McRuer--

30 MR. McRUER: Yes, we will come to that, my lord. The schedule that you referred to is a

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that we were using language that did not stand up
in court, viz., so we had to change our method that

BY THE COMMISSIONER: Q. Have you had cases

schedule provided by the Act? A. Yes.

Q. What shows the result of the agreement that has been arrived at? A. That is correct.

5 Q. To follow it in chronological order, after you have notified the employers and employees they get together and agree on a schedule of wages and hours?

A. Yes.

10 Q. And then after that agreement has been arrived at it is published as a schedule in the Ontario Gazette? A. Yes, in the Ontario Gazette.

Q. And then, having been published in the Ontario Gazette the Act provides for certain penalties for violations of the schedules.

15 Q. That is section 16 of the Act, is it not? Mr. Marsh? A. Yes, but might I outline for you if I might, sir, section 8.

BY THE COMMISSIONER: Eight?

20 A. Eight. "The conference may submit to the Minister in writing a schedule of wages and hours and days of labour for the industry affected and such schedule may (a) establish the maximum number of hours comprising the regular working week (b) establish the maximum number of hours comprising the regular working week."

25 BY MR. MORUER: Q. Section (a) is "day" and (b) is "week"? A. Yes. "(c) Establish the minimum rates of wages for the regular working periods. (d) Establish the particular days in the week for the performance of labour in the industry."

30

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for you if I might, sir, section 8.

BY THE COMMISSIONER: Right?

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comprising the regular working week (b) establish the

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BY MR. MURPHY: Q. Section (a) is "day" and (b)

is "week"? A. Yes. "(c) Establish

the minimum rates of wages for the regular working

periods. (d) Establish the particular days in the

30

week for the performance of labour in the industry.

"(e) Establish the rates of wages and the periods for
and the conditions governing, overtime work. (f)

Classify the employees and separately provide for
each classification with respect to any of the
matters which may be dealt with in such schedule.

(g) Define any term used in the schedule."

Q. Then, 9 deals with the formation of a
schedule of wages, hours, and days of labour and
10 provides for publication in the Ontario Gazette?

A. Correct.

BY THE COMMISSIONER: Q. 9 contemplates a
schedule submitted by the employers and the employees?

A. Yes, sir.

BY MR. McFUR: Q. If the employers and employees
cannot agree on a schedule in the conference that
is called in the manner that you indicate then the
matter drops, doesn't it? A. It drops.

Q. So that there must be an agreement arrived
at before the Act can operate any further?

A. That is correct.

Q. So that really the effect of the act is in
the first place to give them an opportunity of
arriving at an agreement, that is, with Government
supervision, and then if they arrive at an agreement
then they give it the force of law?

A. I don't think I go that far.

Q. You don't? A. No, they arrive
at the agreement; the terms of the agreement are
absolutely voluntary insofar as the employees and

"(c) Establish the rates of wages and the periods for

...to be submitted by the employees and the employees

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BY Mr. McLEOD: Q. If the employee and employee's

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employers are concerned without any supervision.

Q. You give them an official channel to come into? A. Or direction from the department; one of our men, the Industrial Standards Officer, acts as Chairman, but that is all he is, the Chairman.

Q. He is neutral? A. He is neutral. He is the Chairman and he neither suggests or advises as to what the rates of wages may or may not be.

Q. He is nothing in the sense of an arbitrator? A. None whatever.

Q. Does he not in any way mediate if they are coming together and they are still slightly separated? A. Yes, as Chairman he uses his good office.

Q. He uses his good office; one might compromise a little on some things and the other compromise a little on some things until they arrive at an agreement? A. Not on the question of wages but on the matter of a definition of the individual clauses.

Q. Or classifications, or zones or anything of that sort? A. The matter of the zone is in the Minister's hands.

Q. Then, after they have arrived at the agreement this schedule is published in the Ontario Gazette and it is posted?

A. Ten days after it is published the agreement

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zone is in the Minister's hands.

Q. Then, after they have arrived at the

agreement this schedule is published in the

statistician's gazette and it is posted?

Q. And then it is published in the

as set up in the schedule goes into effect.

Q. Then, what happens in regard to the defining of zones? I want you to explain that to the Commissioner? A. The petitioners, the

5 employers and the employees, suggest, for instance, that the City of Stratford may be a zone.

Q. I thought you said the question of zones was handled by the Minister?

10 A. I have qualified it by saying these people suggest that the City of Stratford, and perhaps a five-mile radius, would be a zone. The Minister, he may agree with that suggestion, and we advertise so that everyone concerned doing business within that proposed zone should be invited to come to the conference. 15 At the conference the zone may be changed, at the conference.

Q. So that the question of the zones is dealt with before the conference takes place?

20 A. Yes.

Q. For instance - I just want to be clear; supposing you were dealing with an industry - take our industry we are investigating, the Textile Industry and the employees and employers desired to-

25 THE COMMISSIONER: Of one factory?

Q. BY MR. MCLELL: The employees and employers of one factory got together and they agreed that the rates of wages should be as set out, the hours of labour should be set out, and they come to you.

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THE COMMISSIONER: Of one factory?

Q. BY MR. BRYDIE: The employees and employers of

one factory got together and they agreed that the

rates of wages should be set out, the hours of

labour should be set out, and they came to you.

Q. Now, how is that handled? A. We would enquire as to whether or not they had made contact with the other employers and employees of other factories and if they had not done so we might undertake to make that contact ourselves and inquire of other manufacturers and other groups of employees as to whether or not they would meet in conference with the manufacturers.

BY THE COMMISSIONER: Q. That is, in a certain zone? A. In the textile industry I am quite satisfied the Minister would say it would have to cover the whole Province.

Q. The whole province would be the zone? A. Yes, because it is an industry that is in competition one with the other covering the whole province. There may be differential on the wages from one section of the Province to the other but the whole province would have to be covered as one zone. For an example of that, if I may digress a little bit, the clothing industry, both men's clothing and women's--

Q. Do you mean the manufacturing clothing industry? A. Yes. It covers this whole province, but we work in cooperation with the Province of Quebec so that under their Act down there, which is something similar to ours, the clothing industry, the men's clothing in one group, the women's suits and cloaks in another schedule, and millinery in still another schedule, and in cooperating with the Department of Labour and

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Manufacturers and employees in the other province,
the Province of Quebec, we were able to bring about
rates of wages and working conditions very similar
one province with the other. So that if the
competition is levelled up in this province as it has
been levelled up in the Province of Quebec the
competition is also levelled up as between the two
provinces, so that there is fair competition in these
three industries throughout these two provinces,
which in most cases in these trades extends to 90%
of the industry in Canada.

MR. McRUER: Q. How have you been able to
do that, take the millinery industry, how have
you been able to accomplish that? A. Well,
associations of employers and trade union organizations
of the employees and the labour department of both
provinces.

Q. Will you go back again a little bit to the
method of the operation of the Act and then I am
going to ask you later on as to what different
industries have come under the Act. When you have
a demand from the employers and the employees of a
mill or several mills in, we will say, the Textile
industry that they want to come under the Act, you
would send out your notices to the whole industry
and to all ^{known} ~~unions~~ associations of employees?

A. Perhaps I should start where I kind of got away
from the one factory, petitioning. If we find

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would send out your notices to the whole industry
and to all ^{known} associations of employees?

A. Perhaps I should start where I kind of got away
from the last industry, millinery.

that the other employers and employees in the other plant do not care to participate we cannot call a conference.

5 Q. Then you would have to drop it for this one factory? A. Yes.

Q. You could not go on with it merely for one factory? A. No, we would not go on with it.

10 THE COMMISSIONER: The witness said something about trades union here, I would like to hear about.

MR. McRUER: I am coming into some aspects of that.

15 Q. But to get the ~~m-op~~ modus operandi of the Act, we will take the clothing industry as an example then that has come under the Act, one branch of the clothing industry - what branch of it, the manufacturer of clothes? A. The manufacturer of suits of clothes.

20 Q. How was the zoning done in that case? Did you have one zone for Toronto and another for Hamilton? A. No, the zone covered the whole province but they made differential in the rates of wages.

25 Q. Would provide that the wages in Toronto would be certain figures --- A. And down in Cornwall or in Brockville a little different.

30 Q. That answers my question. I could not quite understand how you worked that. Now, was the clothing industry organized - were the employees organized? A. Yes, but not 100 per cent.

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understand how you worked that. Now, was the

clothing industry organized - were the employees org-

lized? A. Yes, but not 100 per cent.

Q. But there was a labour organization to start with? A. Yes.

Q. Were the millinery trades organized?

THE COMMISSIONER: Better find out what the organization was?

MR. McRUER: Q. What was it? A. You have got me there. If you were talking about the building trades I would be able to tell you.

Q. Is the millinery trade organized? A. Yes, sir.

Q. Have you been able to put the Industrial Standard Act into effect in any of the trades where the employees have not been organized? A. Yes, we have.

Q. You have got it to work on some trades where there had been no labour unions among the employees? A. Yes.

Q. What trades? A. The bakery industry in the counties of Waterloo, Perth, Wellington and Huron. The employees were organized and after several enquiries the employers petitioned the Department to call a conference and then we found it necessary for ourselves to gather the employees together so that we might have proper representations from them and it was done by getting each shop or as many shops as we could make contacts with in those four counties to elect their own representative to send to a conference and that was done.

Q. Well then, when you have established a schedule

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Q. But there was a labour organization to start

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gether so that we might have proper representations

from them and it was done by getting each shop or

as many shops as we could make contact with in those

four counties to elect their own representative to

attend to a conference and that was done.

Well then, when you have established a committee

how do you enforce it? A. The Act provides that from amongst the employers and employees and advisory committee be appointed and the personnel has been three employers and two employees of the industry, working with our Minimum Wage Board for the purpose of administering the terms of the schedules.

THE COMMISSIONER: Q. Does the Minimum Wage Act here apply only to women? A. The Minimum wage Act applies only to women but the Minimum Wage Board has been designated as the Administrative body to administer the schedules under this Act, the Industrial Standard Act.

Q. The same Board that administers the Minimum Wage Act acts under this Act? A. Yes.

MR. McRUER: Q. Well now, go on and tell us how you enforced the Act? A. We use any or all of our inspectors in the Department to assist in the administration and enforcement of the terms of the schedules.

Q. Supposing you have a complaint, what is the procedure? A. The complaint is investigated and if we find that complaint is justified we make an effort to bring about an adjustment which would--

Q. Who makes that effort - how is it done? A. The Minimum Wage Board or the Inspector that has made contact in the first instance investigating the complaint.

Q. For instance, some employees write in and

how do you enforce it? A. The act provides

that from amongst the employers and employees and

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made contact in the first instance investigating

the complaint.

A. For instance, some employees write in and

tell you that the employer is paying less than the amount provided in the schedule? A. Yes.

Q. Then the Inspector will take that information and go to the employer, will he, to verify it, and find out if it is true? A. Yes, sir.

Q. If it is true try to get it adjusted amicably? A. Yes, sir.

Q. And bring him up to the schedule rates? A. The schedule rates.

Q. Of course, if he persists in it I suppose you have to lay a complaint in the police court and prosecute him? A. That has been done.

Q. Have you had convictions under the Act? A. Yes, and we have lost some cases.

Q. You have lost some cases because the schedule was not properly worded? A. Well, some times because when they are telling us the story they are not under oath.

Q. And sometimes when you go to establish the fact you are not able to do it. Of course, that happens in all the administration of justice in many cases? A. Yes.

Q. But, however, that is --- A. But we do not get all the complaints from the employees. We get many complaints from the employers.

Q. One employer will complain that another employer who is in competition with him is paying lower wages than he is? A. That is correct.

Q. You say the employer is paying less than the

amount provided in the schedule? A. Yes.

Q. And so the employer, will he, so verify it,

and find out if it is true? A. Yes, sir.

Q. If it is true try to get it adjusted amicably?

A. Yes, sir.

Q. And bring him up to the schedule rates?

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Q. But, however, that is --

A. But we do not get all the complaints from the

employees. We get many complaints from the employer.

Q. Who is in competition with him is paying lower wages

than he is? A. That is correct.

Q. Of course, the whole scheme of the Act is for the protection of employers as well as employees?

A. That has always been my idea and it is correct.

I should say this I think, my lord, before we go much further that when we establish a schedule it may be agreed to and signed by 75 or 80 or 90 per cent. of the trade, both employees and employers. Then it covers not only those who sign but those who did not sign or who cannot agree, if they are within the zone within the industry.

Q. Yes, it gives the force of law to that schedule in the zone? A. Yes.

Q. Where the respective employers have all been signed up? A. Correct.

Q. Now, what percentage do you require to agree to a schedule before you will put it in force?

A. The Act says proper and sufficient representation of both employers and employees.

Q. I wonder how you interpret that? A. Our interpretation is, as far as we are concerned, they must represent a good majority of the business.

BY THE COMMISSIONER: Q. Of that particular industry, do you mean? A. Yes, of that particular industry in that particular zone.

Q. Well, the whole industry in the zone. Suppose there are five or six factories of the same kind of business, would you require a majority of those engaged in the whole of the five or six? A. Well,

... Of course, the whole scheme of the Act is for
the protection of employers as well as employees?
A. That has always been my idea and it is correct.
I should say this I think, my lord, before we go
much further that when we consider a schedule it
be agreed to and signed by 75 or 80 or 90 per cent.
of the trade, both employers and employees. Then
it covers not only those who sign but those who
did not sign or who cannot agree, it may be within
the zone within the industry.
... Yes, it gives the force of law to that
schedule in the zone?
A. Yes.
Q. Where the respective employers have all been
...
Q. Now, what percentage do you require to agree to
a schedule before you will put it in force?
A. The Act says proper and sufficient representation
of both employers and employees.
Q. I wonder how you interpret that?
A. Our
interpretation is, as far as we are concerned,
they must represent a good majority of the business.
BY THE COMMISSIONER: Q. Of that particular
industry, do you mean? A. Yes, of that particular
industry in that particular zone.
Q. Well, the whole industry in the zone. Suppose
there are five or six factories of the same kind
of business, would you require a majority of those
engaged in the whole of the five or six? A. Well,

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5 if there were ten factories and there were three of
them employing 3,000 men, and the other seven factories
employing 3,000 men, there are about 50-50 if they
split that way. We would have to take more than
a 50-50 break, but we would not say, if those three
employers employed 4,000 men or at least 6,000 men and
the others employed 4,000 men, we would not say that
those three employers constituted a sufficient and
proper representation, although they employed this
10 6/10ths or 3/5th of the employees. We take into
consideration ---

15 MR. McRUER: Q. I suppose you have just got to
look at it as a whole and decide whether those
before you constitute a substantial majority of
the trade in that area? A. We usually know
before they get in there, having had the conferences,
but we do take into consideration the volume of
20 business done by each employer and that is usually
measured by the number of employees. If they
are all in the same industry that in our opinion
is a very accurate way of deciding how much one
25 manufacturer does as against what the other fellow
does.

30 BY THE COMMISSIONER: Q. Then these agreements
always apply within zones. They never apply between
one factory and its employees? A. No, within
a zone.

MR. McRUER: Q. You have to get substantial

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if there were ten factories and there were three of them employing 3,000 men, and the other seven factories employing 3,000 men, there are about 30-35 if they split that way. We would have to take more than a 50-50 break, but we would not say, if those three employers employed 4,000 men or at least 3,000 men the others employed 4,000 men, we would not say that those three employers constituted a sufficient and proper representation, although they employed this 4,000 or 3,000 of the employees. We take into consideration ---

MR. McHUGH: I suppose you have just got to look at it as a whole and decide whether those before you constitute a substantial majority of the trade in that area. We usually know before they get in there, having had the conference but we do take into consideration the volume of business done by each employer and that is usually measured by the number of employees. If they are all in the same industry that in our opinion is a very accurate way of deciding how much one manufacturer does as against what the other fellow does.

MR. McHUGH: Then these agreements always apply within zones. They never apply between one factory and its employees? A. No, within

MR. McHUGH: You have to get substantial

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part of the trade within the particular area and if it is a quality of goods generally used in trade and commerce you would have to be there ?

5 A. Yes, we have one covering the brewing industry of this province and it covers the whole province, because they sell their goods, you know, anywhere.

Q. Not confined to this Province? A. Not necessarily.

10 Q. And contrasted with that there are trades like the carpenters, plumbers, etc. that quite a small zone may be organized under this Act? A. That is correct.

15 A. You might organize the carpenters of Windsor and bring them under the Act and the carpenters of Toronto would not be under it at all? A. That is correct. That is the situation right now.

20 Q. Just tell us what you have done with it?
A. We have the carpenters, for instance, of Toronto, with a zone going outside of Toronto, it is defined in the Order-in-Council how far a zone goes. We have another one in Kitchener. We have another one in Windsor. We have another one in Ottawa but we have not got one in Hamilton. We have not got one in London and we have not one in Stratford. We have plumbers organized in different towns or cities throughout the Province, and there are other places where they are not organized. The same thing can be said of bricklayers, painters, common

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if it is a supply of goods generally used in
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in Windsor. We have another one in Ottawa but we
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one in London and we have not one in Stratford.
We have plumbers organized in different towns or
cities throughout the Province, and there are other
places where they are not organized. The same thing

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labourers, piece metal workers, electricians, and
barbers. We have the barbers organized under a
schedule for the City of Toronto and suburban towns
around Toronto. We have numerous petitions
from them since throughout this Province asking
that we hold conferences for the purpose of establish-
ing schedules in their home towns. But the rates
of wages may be very much different in Toronto than
they would be in Windsor and they may be higher in
Windsor than they are in Toronto. In the building
trade, barber trade, or such trades, it is not in the
same kind of competition as the brewing industry,
textile industry or the clothing industry.

Q. In those industries that are in competition
in that way how do you get over the competition that
would exist if you establish one rate of wages
for Brockville and another rate of wages for London?

A. You mean in the building trade?

. No, take your clothing industry, for instance?

A. We just don't do that.

Q. You have the same rates of wages? A. No,
it would not be the same rates of wages, not
necessarily, but it would be a rate of wages that
they would agree on. They recognize there is a
difference in the cost of production, cost of living,
between one centre and another, and they themselves
agree on what the differential shall be, the trade.

Q. Well, having agreed it puzzled me a little

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March

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schedule for the City of Toronto and suburban towns
...
...
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... that we hold conferences for the purpose of ...
...
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they would be in Windsor and they may be higher in

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necessarily, but it would be a rate of wages that

they would agree on. They recognize there is a

difference in the cost of production, cost of living,

between one centre and another, and they themselves

agree on what the differential shall be, the trade.

.. Well, having agreed it is not fair to have a

as to how they managed to compete, I suppose it does not change the situation before they have agreed and afterwards if they have all agreed? . . . The cost of transportation of raw and finished materials, cost of rentals, and all that sort of thing enters into the real cost of production.

Q. I suppose does not change it very much because it is all relative and if you tried to maintain something that is uniform and that will provide a living wage for the men in their respective places or proper wage you are trying for, it does not make much difference if there is a differential because that would exist anyhow? A. Yes. . . . The furniture industry is an example. . . . The zone covered all of the province with the exception of the City of Toronto and there were two cents only difference in each of the classifications of labour set up in the schedule as between some of the cities and others in the Province.

Q. Now, can you give me a list of the different industries that have come under this Act and have schedules in effect now? A. Well, I have them here.

Q. Well, is it in the form of a table? A. Yes. I have only one copy.

Q. Is this something you prepared for me?

A. Yes. . . . I might say we had 36 schedules in effect last year. 24 of those had been renewed by petitions

as to how they managed to compete. I suppose it
does not change the situation but they have agreed
and afterwards if they have all agreed? The
cost of transportation of raw and finished materials,
cost of rent, and all that sort of thing enters
into the real cost of production.

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because it is all relative and if you tried to make
something out as uniform and that will give a
living wage for the men in their respective places
or proper wage you are trying for, it does not make
much difference if there is a differential because

Q. Yes. That would exist anyhow?
A. Yes. The same covers
therefore industry is an industry.
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in the schedule as between some of the cities and
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industries that have come under this act and have
schedules in effect now? A. Well, I have them
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Q. Well, is it in the form of a table? A. Yes.
I have only one copy.

Q. Is this something you prepared for me?
A. Yes. I might say we had 33 schedules in effect
last year. 22 of these had been renewed by legislation

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all the schedules that you have or are being received from employers and employees.

BY THE COMMISSIONER: Q. They require renewal?

A. Yes.

Q. Only good for one year?

A. The first

are only good for one year. The Act now provides

that it may be for the pleasure of the Lieutenant

Governor in Council. There were 24 or the 36 that

had been renewed, petitions had been received from

several of the others for renewals. In addition

to that we have 9 new agreements this year that

the industries were not covered last year.

Q. And this is a list of the industries that have

been ---

A. Yes. We received all told

154 petitions from employers and employees for the

purpose of bringing about schedules. Now, I

had copies of schedules.

THE COMMISSIONER: Well, we will make that part of the same exhibit.

MR. McRUER: Q. These are the industries that had come under the Act? A. Yes, sir.

THE COMMISSIONER: Will be the same as the Act itself, Exhibit 663.

MR. McRUER: Q. And the schedules will be?

A. I just brought up a few of them so that you might use it as a sample.

Q. I think the first one on the list that is schedule of wages and hours and days of labour of the men's clothing industry. We will put in

being received from employers and employees.
BY THE COMMISSIONER: They receive renewals?

A. Yes. The first
are only good for one year. The last new provisions
that it may be for the pleasure of the Lieutenant
Governor in Council. There were 24 or 25 that
had been renewed, petitions had been received from
several of the others for renewals. In addition
to that we have 3 new agreements this year that
the industries were not covered last year.
And this is a list of the industries that have

been --- A. Yes. We received all 24
104 petitions from employers and employees for the
purpose of bringing about schedules. Now, I
had copies of schedules.
THE COMMISSIONER: Well, we will make that part
of the same exhibit.

MR. MEMBER: These are the industries that
had come under the act? A. Yes, sir.
THE COMMISSIONER: Will be the same as the act
itself, Exhibit 338.

MR. MEMBER: And the schedules will be?
A. I just brought up a few of them so that you
might use it as a sample.

A. I think the first one on the list is
that is schedule of wages and hours and days of a hour
of the men's clothing industry. It will be in

all the schedules that you have brought. The industries, my lord, are the Asbestos Workers.

Q. These have all actually come under the Act?

A. These are petitioning.

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Q. There is a column here shows: "Petitions for conferences," "Agreements prior to amendments," "Renewals," and "New Agreements."?

A. Yes.

Q. I will just give the one that was actually under the Act last year?

A. That is correct.

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Q. The baking industry - Waterloo, Wellington, Perth and Huron counties. Brewers for Ontario, and that is under the Act this year as well?

A. Yes.

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Q. Brick layers and stone masons, Toronto and Windsor, and still under the Act, and there is a new agreement awaiting attention from Kitchener and Ottawa?

A. That is correct.

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Q. The carpentry trade for Brantford, Kingston, Ottawa, Toronto and Windsor and this year for Brantford Ottawa, Toronto and Windsor, and Kitchener has petitioned for a new agreement, is that right?

A. It has been completed, sir.

25

Q. Common labourers for Toronto and Windsor and theirs there is renewed and Kitchener and Ottawa are coming in this year on that, is that right?

A. Yes.

Kitchener has completed theirs.

30

Q. Electricians, London, Toronto and Windsor and Toronto and Windsor have come in again this year, but

all the schedules that you have provided. The

industries, my lord, are the Asbestos workers.

.. These have all actually come under the act?

A. These are petitioning.

.. There is a column here showing: "Petitions

for conference," "Agreements prior to amendments."

"Renewals," and "New Agreements." A. Yes.

A. I will give two and that are actually

under the act last year? A. That is correct.

A. The baking industry - Waterloo, Wellington,

and that is under the act this year as well?

A. Brick layers and some others, Toronto and

.. The carpentry trade for Brampton, Kingston,

Ottawa, Toronto and Windsor and this year for Brampton

Ottawa, Toronto and Windsor, and Kingston has

petitioned for a new agreement, is that right?

A. It has been completed, sir.

.. Common labourers for Toronto and Windsor and others

there is renewed and Kitchen and Ottawa are coming

in this year on that, is that right? A. Yes.

Kitchener has completed theirs.

A. Electricians, London, Toronto and Windsor and

.. Toronto and Windsor have come in again this year, but

London evidently has dropped out? A. They are still continuing under the old schedule yet.

Q. Furniture industry for Ontario last year, has it dropped out? A. They have not renewed.

Q. Do you know why, what the difficulty was there?

A. The manufacturers felt that they could not renew unless Quebec came along. However, they have not reduced the wages. They are still living up to the terms of the old schedule. T

Q. The Lathing industry for Toronto, the logging industry for Port Arthur, Forestry Division, and for this year negotiations under way for renewals.

Millinery for Ontario? A. May I make a comment on that Port Arthur?

Q. Yes, what is it you want to say about Port Arthur? A. In the logging industry during the

past several years there has been considerable labour trouble, not only in the Port Arthur - Thunder Bay District but in other parts of the Province.

As a result of getting employers and employees together under this schedule there has been no labour trouble in that particular district and it more or less stabilized the industry throughout the whole province. In any event there has been very little, if any, labour trouble since the inception of this schedule.

Q. Does that include all branches of lumber?

A. No, just in the wood.

London evidently has dropped out? They are
still continuing under the old schedule yet.

.. Furniture industry for Ontario last year,
has it dropped out? They have not returned.

.. Do you know why, what the difficulty was when?

A. The manufacturers felt that they could not renew
unless wages came along. However, they have not

reduced the wages. They are still living up

to the terms of the old schedule. T

.. The Lathing industry for Toronto, the lathing

industry for Port Arthur, Forestry Division, and

for this year negotiations under way for renewals.

.. May I make a comment
on that last statement?

.. Yes, what is it you want to say about that?

A. In the lathing industry during the

past several years there has been considerable labour

trouble, not only in the Port Arthur - Thunder Bay

district but in other parts of the Province.

As a result of getting employers and employees to

get on under this schedule there has been no labour

trouble in that particular district and it more

or less stabilized the industry throughout the

whole Province. In any event there has been very

little, if any, labour trouble since the negotiation

.. Does that include all branches of lathing?

A. No, just in the wood.

Q. As a matter of fact, just for the purpose of the record, prior to this agreement being entered into there was some very fierce labour troubles up there? A. Yes.

Q. Had it got to the stage that it was considered to be a serious menace to the industry, the disturbances that were occurring time after time? A. Yes. It is really what prompted the people to ask for the schedule.

Q. Then the millinery industry, that was for the whole of Ontario, and now as to the renewal you have "Ontario(rescinded") 3rd (awaiting O.I.C.) - what does that mean? A. Awaiting order in council. The second schedule was rescinded because some mistakes made in them and now they are corrected. The new schedule is waiting Order in Council.

Q. Painting and decorating for Hamilton, Kingston, Ottawa, St. Catharines, and Toronto, had been renewed at Hamilton, Ottawa and Toronto and Kitchener has come in under new agreement? A. That is correct.

Q. Plastering trade - Ottawa, Toronto and Windsor and renewal at Ottawa, Toronto and Windsor? A. Yes.

Q. Then we have plumbing and heating - I don't think we need go over all these. . The sheet metal industry for Toronto. Tile setting industry, &c. Now, in regard to all these that you show under petition, you have had 154 petitions. How many do you

Q. As a matter of fact, just for the purpose of
the record, prior to this agreement being entered
into there was some very fierce labour troubles up
there?
A. Yes.
Q. Had it got to the stage that it was considered
to be a serious menace to the industry, the distur-
bances that were occurring there at that time?
A. Yes.
Q. It is really what prompted the people to ask for
the schedule?
A. Then the military industry, that was for the
whole of Ontario, and now as to the renewal you have
mentioned?
Q. Does that mean?
A. Waiting order in Council.
Q. The second schedule was rescinded because some mistake
made in them and now they are corrected. The new
schedule is waiting Order in Council.
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Ottawa, St. Catharines, and Toronto, had been removed
at Hamilton, Ottawa and Toronto and Rittenauer has
come in under new agreement?
A. That is correct.
Q. Windsor and renewal at Ottawa, Toronto and Windsor?
A. Yes.
Q. Then we have painting and heating - I don't
think we need go over all those. The sheet metal
industry for Toronto.
A. This setting industry, so.
Q. Now, in regard to all those that you show under
petition, you have had the petitions. How many do you

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say came under the Act altogether? A. There were 36 schedules for 1936.

Q. 36 schedules for 1936, 24 renewals and 9 new agreements. A. And some of those yet still running.

Q. Some of the 36 still running? A. All but two.

A. All but two of the 36, notwithstanding they had not been renewed, they are still running and maintaining the wages.

Q. What about the remainder of the petition? A. 34, I think would be the correct number now.

Q. What happened to the others? A. The furniture industry decided that they would not have it.

Q. There are 34 altogether petitioning? A. That would be employees and employers sending in individual petitions. 85 industries covered.

Q. So that you have had petitions from 85 industries? A. Yes, sir.

Q. And there are about 43 have actually come under the Act? A. And working under it now.

Q. What happened in respect to the remaining ones, after they had petitioned - why were they dropped? A. We have not had time to get to them yet.

Q. So that they are not all disposed of yet? A. No.

any came under the act subsequently
were designated for 1902.

... of members for 1902, 1903 and 1904

representatives. A. and some of them yet still

remaining.

... time of the 30 will remain.

... and one of the 30, notwithstanding they

had not been removed, they are still remaining and

maintaining the same.

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... that happened in respect to the remaining

... after they had petitioned - they were then

... we have not had time to get to them

yet.

... so that they are not all disposed of yet.

Q. They had not been refused necessarily?

A. There were two industries where they did not have proper and sufficient representation and in spite of the fact the people who were there reached agreement, we felt we did not have proper representations and therefore we did not recommend to the Minister that he should take it into council.

Q. Well, I suppose you are an old labour man and have experienced some of the trials and tribulations of the Labour Union, difficulties that have arisen. What do you say as to whether the Act has been beneficial in its result? A. Well, if I would answer that this way by stating that as a result of these 36 schedules being made effective last year there was only one large stoppage of work in any factory or any work shop where those schedules ~~in~~ were in effect, during the life-time of those schedules.

Q. So that the relations between employers and employees have been happier and more satisfactory?

A. Yes, certainly there was some stability there and the one day's stoppage was for the purpose of clearing up classifications in that particular factory.

Q. Well, have we covered pretty well, do you think, the operations of the Act?

BY THE COMMISSIONER: Q. Just one thing I would like to ask you - insofar as this textile industry is concerned, having regard to the whole industry,

They had not been refused necessarily.
There were two industries where they did not
have proper and sufficient representation and in
spite of the fact the people who were reached
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By the Commissioner: A. Just one thing I would
like to ask you - insofar as this textile industry
is concerned, having regard to the whole industry,

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5 did you have any petitions from any other part of
the industry for organization that you had to
reject? A. We have been asked by individual
groups of employees if they may send in a petition
and if they did send in a petition would we take
action to try and bring about a schedule under the
Act. We have had to not refuse them but to tell
them that under the circumstances it would be im-
possible to bring about a satisfactory conference
because of the attitude of those of the employers
that we made contact with not wanting to take part
in a conference and we cannot set up a schedule
except for both employers - except that both
15 employers and employees are properly represented.

MR. McRUER: Q. Well, did you make contact with
certain employers in the textile industry for the
purpose of opening up as to whether they wanted to
come in? A. By way of suggestion, where there
has been some trouble in low wages and long hours
that we have been asked to investigate and try
and remedy but we have never received any encourage-
ment that conference would be successful.

Q. That is, from the employers? A. Yes, sir.

Q. And employees have shown an anxiety to come
under it? A. Yes, sir.

Q. Now, was that a subject introduced at all
at Cornwall? A. No, I did not introduce it while
I was there.

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did you have any petitions from any other part of

the industry for organization that you had to

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and if they did want in a petition would we take

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them that under the circumstances it would be im-

possible to bring about a satisfactory conference

because of the attitude of those of the employers

that we made contact with not wanting to have part

in a conference and we cannot set up a schedule

except for both employers - except that both

employers and employees are properly represented.

MR. WOODMAN: A. Well, did you make contact with

certain employers in the textile industry for the

purpose of cleaning up as to whether they wanted to

come in? A. By way of suggestion, where there

has been some trouble in low wages and long hours

that we have been asked to investigate and try

and remedy but we have never received any encourage-

ment that conference would be successful.

Q. That is, from the employers? A. Yes, sir.

Q. And employees have shown an anxiety to come

under it? A. Yes, sir.

Q. Now, was that a subject introduced at all

at Cornell? A. No, I did not introduce it there.

I was there.

MR. McRUER: I will have to go into that situation at Cornwall later but I do not think it is quite fair to go into it in the absence of counsel for the Courtaulds Company but just in respect to the Industrial Standards Act the question did not come up there as to whether those employees would come under the Industrial Standards Act? A. No. It would have been the only factory, but there are two or three other factories in Ontario.

Q. Not in the same goods? A. The only thing I could say, and perhaps it would be a repetition, that the Act was designed for the purpose of bringing about more settled conditions and putting some stability in it and fair competition as between the employers, and in doing so it certainly increased the rates of wages in some cases. In many factories and many work shops, both in the building trade and otherwise, no increases of wages were established because of the schedules but in many places there was.

Q. Well, it had the affect probably of not raising any higher the good fellow, but of bringing the low chap up? A. There was no wage increase over what was being put. I will put it this way, being paid to the better paid employees.

BY THE COMMISSONER: Q. Insofar as an industry may be confined to one establishment, that Mr. McRuier referred to, Courtaulds at Cornwall, could

Mr. McNair: I will have to go into that situation at some all later but I do not think it is quite fair to go into it in the absence of counsel for the Comtandis Company but just in respect to the industry of standards for the question did not come up there as to whether those employees would come under the industry standards. There have been the only factory, but there are two or three other factories in Ontario. Not in the same goods? The only thing I could say, and perhaps it would be a repetition, that the act was designed for the purpose of bringing about some uniformity in the industry and between the stability in it and fair competition as between the employees, and in doing so it certainly increased the rates of wages in some cases. In many factories and many work shops, both in the building trade and otherwise, no increases of wages were established because of the schedules but in many places there was. Well, it had the effect probably of not raising any higher the good follow, but of bringing the low cheap up? A. There was no wage increase over what was being paid. I will put it this way, being paid to the better paid employees.

BY THE COMMISSIONER: Q. Insofar as an industry may be confined to one establishment, that Mr. McNair referred to, Comtandis at Cornwall, could

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this act be made to apply to that particular factory?

A. Yes.

Q. That is to say, here is a factory, the only one manufacturing a certain product in Ontario or in Canada, and the employees petition you to come under the Act - it could be dealt with? A. Not

unless the employer consented, but if they consented--

Q. Quite right--- A. Except this that the carrying out of the terms of an agreement would to some extent be under the supervision of the Government rather than just left to the individual and employees.

Q. The starting point would have to be both the consent of the employees and the employer?

A. Yes.

BY MR. KELLOCK:

Q. You mentioned that you had made contacts with some employers in the Textile industry when you had got petitions or suggestion of petition from employees?

A. Yes.

Q. In speaking of that were you referring to the garment branch of the Textile industry? A. What do you mean by that?

Q. The manufacturer of garments? A. No.

Q. What were you referring to - what branch?

A. Well, the Textile industry as you know it, I suppose, under this inquiry.

Q. This was made to apply to that particular factory?

A. Yes.

Q. That is to say, there is a factory, the only

one manufacturing a certain product in Ontario or

in Canada, and the employees petition you to come

under the Act - it could be dealt with?

A. Unless the employer consents, but if they consented

Q. Quite right-- A. Except that that the

carrying out of the terms of an agreement would

to some extent be under the supervision of the govern-

ment rather than just left to the individual and

employees.

Q. The starting point would have to be both the

consent of the employees and the employer?

BY MR. KELLICK:

Q. You mentioned that you had made contacts with

some employers in the textile industry when you had

got petitions or suggestion of petition from employees?

A. Yes.

Q. In speaking of that were you referring to the

garment branch of the textile industry? A. That

do you mean by that?

Q. The manufacturer of garments? A. No.

Q. That were you referring to - what branch?

A. Well, the textile industry as you know it, I

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Marsh

By Mr. Kellock

Q. It is a pretty broad industry - what part of it had you in mind when you give that reference?

A. I am not at liberty to give any names of the companies.

Q. I am not asking for that, the kind of work that those companies were engaged in? A. Similar to what the Courtaulds people is doing in fabricating yarns.

Q. You mean manufacturing yarns? A. Yes.

Q. Rayon yarns? A. That is the Textile Industry as I understand it.

Q. Is that the one you had in mind? A. No. I have already told his lordship that there was no mention made of that.

Q. Peer Courtaulds, of course, are the only company in Canada that makes rayon yarns. You have not told us very much if that is the Company you are not referring to? A. If you are trying to find out who the Company is by asking me those questions ---

MR. McRUER: Mr. Marsh is in rather a little different position than some of the witnesses because he is head of a department and it is more or less a departmental matter when this comes in. From a departmental point of view if he objects to answer it, I think that probably ---

THE COMMISSIONER: Yes, that settles it.

Q. Mr. Kelly?

A. It is a pretty broad industry - about half of

it had you in mind when you gave that reference?

A. I am not at liberty to give any names of the

.. I am not asking for that, the kind of work that

these companies were engaged in? A. Similar

to what the Government's people is doing in fabricating

Yours.

. You mean manufacturing Yarns? A. Yes.

. Nylon Yarns? A. That is the textile

Industry as I understand it.

.. Is that the one you had in mind? A. No.

I have already told his lordship that there was no

mention made of that.

.. Yes, certainly, of course, are the only

company in Canada that makes rayon Yarns. You

have not told us very much if that is the Company

you are not referring to? A. If you are trying

to find out who the Company is by asking me those

questions --

Q. Mr. Kelly: Mr. March is in rather a little diffi-

ent position than some of the witnesses because he is

head of a department and it is more or less a depart-

mental matter when this comes in. From a department

point of view if he objects to answer it, I think you

Q. Mr. Kelly: Yes, that would be it.

MR. KELLOCK: Q. You mean you would rather withdraw what you say altogether? A. I don't care to withdraw anything.

5 BY THE COMMISSIONER: Q. Were you talking, for instance, of the Cotton industry or wool or silk---

A. Yes - well, I look upon that as the Textile industry and what I have said we have not had very much encouragement from those whom we made suggestions to.

10 MR. KELLOCK: Would the Textile industry in your mind include a manufacture of ladies dresses?

A. Oh, no.

15 Q. Then what you are speaking about is the actual making of cloth, for instance. Well, if you don't want to answer at all --- A. I think I have made myself clear. I do not want to be specific so that you may pin them down to an individual factory so that you can go to them and ask ---

20 Q. I have told you that that is not my object. There is one other question I would like to ask you and that is as I was reading - what is the number of that last exhibit that went in - as I listened to my friend as he was reading the industries that had the schedules in force or contemplated renewal, the only ones that I noticed that might fall under the head of manufacturing were what you referred to as millinery?

25 30 A. And boys and men's clothing and the cloak and suit industry, which is women's

MR. MILLER: Now you would not

withdraw what you say altogether? A. I don't

care to withdraw anything.

BY MR. MILLER: Now you talking for

instance, of the Cotton industry or wool or silk---

A. Yes - well, I look upon that as the textile

industry and what I have said we have not had very

much encouragement from those who make suggestions

to.

MR. MILLER: Would the Textile industry in your

mind include a manufacture of ladies dresses?

A. Oh, no.

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several making of cloth, for instance. Well, it

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There is one other question I would like to ask you

and that is as I was reading - what is the number

of that last exhibit that went in - as I listened

to my friend as he was reading the industries that

had the schedules in force or contemplated renewal,

the only ones that I noticed that might fall under

the head of manufacturing were that you referred to

as millinery? A. And boys and men's clothing

and the cloak and suit industry, which is women's

8894

Marsh

wearing apparel.

Q. That is about all the manufacturing industries
that has come under the Act so far? A. And the

5 brewing industry.

BY THE COMMISSIONER: Q. And the furniture industry?
A. And the furniture industry.

THE COMMISSIONER: We will adjourn now.

10

-- The Commissioner adjourned at 5.20 P.M. to resume
at 10.30 Wednesday, October 7th, 1936.

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earing appeal.

U. Just in case all the necessary conditions

that can be made are not in fact

being today.

It is not necessary to have the necessary

and the necessary industry.

The government will be able to

The government will be able to
at 10.00 a.m. on 10.00 a.m. 1985.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary.

SIXTY-FOURTH DAY

(October 7th, 1936)

Robert Brydie,
Official Reporter.

STATE OF NEW YORK

IN SENATE

January 1, 1880

REPORT OF THE

SIXTY-FOURTH DAY

(October 1st, 1880)

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner.

A.S. Whiteley, Secretary.

A p p e a r a n c e s :J.C. McRuer, K.C. and)
E. Beauregard, K.C.) Commission Counsel.J.P. Lanctot, K.C.,) For Special Committee,
and) on Primary Textile
R.L. Kellock, K.C.) Industries.C.G. Heward, K.C.)
Aime Geoffrion, K.C.) For Dominion Textile
and) Company.
C.T. Ballantyne,)

S.G. Dixon, K.C. For Courtaulds, Limited.

L.A. Forsyth, K.C. For Canadian Celanese Ltd.
and Canadian Silk Products
Limited.

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8897

Toronto, Ontario
October 7, 1936

The Commission resumed at 10.30 A.M.

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THE COMMISSIONER: Have you another witness this morning, Mr. McRuer?

MR. McRUER: Mr. Welch, my lord, but he has not turned up yet. However, I will call Mr. Brocklesby.

10

A. ERNEST BROCKLESBY, Sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Brocklesby, you live in the City of Toronto?

15

A. Yes, sir.

Q. How long have you been a resident of the City of Toronto?

A. 28 or 29 years, sir.

Q. Yes. And were you, at any time, engaged in any branch of the textile business?

A. Yes, sir.

20

Q. What branch?

A. Knitting.

Q. In the knitting branch?

A. Yes.

Q. And how long were you in the knitting business?

A. Two years.

25

Q. Two years?

A. Yes.

Q. When was that?

A. 1932, and 1933.

Q. 1932 and 1933?

A. Yes.

Q. And what was the name of the company you were connected with?

A. The Macaber Knitting Mills, Limited.

30

Q. And what sort of garments were you knitting?

Toronto, Ontario
October 7, 1935

The Commission received at 10.30 A.M.

Q. Now you another witness this

A. Yes, sir. Mr. Johnson, my friend, but he has not
joined me yet. However, I will call Mr. Brocklebury.

A. FRANK H. BROCKLEBURY, sworn,

deposes that he is a resident of the City of Toronto.

Q. Mr. Brocklebury, you live in the City of Toronto?

A. Yes, sir.

Q. How long have you been a resident of the City

of Toronto? A. 22 or 23 years, sir.

Q. Yes. And were you, at any time, engaged in

any branch of the textile business? A. Yes, sir.

Q. What branch? A. Knitting.

Q. In the knitting branch? A. Yes.

Q. And how long were you in the knitting business?

A. Two years.

Q. Two years? A. Yes.

Q. When was that? A. 1933, and 1935.

Q. 1933 and 1935? A. Yes.

Q. And what was the name of the company you were

connected with? A. The Macomber Knitting Mills,

Q. And what sort of garments were you knitting?

a. A line of boys' wear, school boys' wear - pull-overs, jerseys, sweaters and so forth; and men's sweaters, cardigan jackets, and golf hose.

5 Q. Yes. And, in the course of your business, did you have any occasion to attend meetings in Mr.

Hallam's office? A. Yes, sir.

Q. How did you come to be called upon to attend meetings in Mr. Hallam's office? A. In the

10 spring of 1933, there was quite a question as to price-cutting, and a gentleman by the name of Jones-

Q. Price-cutting in your trade? A. Yes, sir.

Q. Well now, when you say "Price-cutting," what do you mean? A. Selling to the retailers at a

15 price which was presumed to be below the cost of production.

Q. That was the complaint? A. Yes, sir.

Q. Well, please go on and tell us how you were called to Mr. Hallam's office? A. Mr. Jones,

20 of London, who was not in the knitting business but apparently knew them all, called several meetings at the Royal York Golf Club.

Q. Yes? A. And we were asked to submit our

25 prices.

Q. Was Mr. Hallam present at those meetings at the Royal York Golf Club? A. No, he was not, sir.

Q. That is Mr. Jones of London? A. Yes, sir.

Q. Of London, Ontario? A. Yes, sir.

30 Q. And you say he was not a knitter? A. No.

A. A line of boys' wear, school boys' wear - full-overs, jerseys, sweaters and so forth; and men's sweaters, cardigan jackets, and golf hose.

Q. Yes, and, in the course of your business, did you have any occasion to attend meetings in Mr.

William's office? A. Yes, sir.

Q. How did you come to be called upon to attend

meetings in Mr. William's office? A. In the

spring of 1933, there was quite a question as to

price-cutting, and a gentleman by the name of Jones-

Q. Price-cutting in your trade? A. Yes, sir.

Q. Well now, when you say "price-cutting," what

do you mean? A. Selling to the retailers at a

price which was presumed to be below the cost of

production.

Q. That was the complaint? A. Yes, sir.

Q. Well, please go on and tell us how you were

called in Mr. William's office?

of London, who was not in the knitting business but

apparently knew them all, called several meetings

at the Royal York Golf Club.

Q. Yes? A. And we were asked to submit our

prices.

Q. Was Mr. William present at those meetings at

the Royal York Golf Club? A. No, he was not, sir.

Q. That is Mr. Jones of London? A. Yes, sir.

Q. Of London, Ontario? A. Yes, sir.

Q. And you say he was not a knitter? A. No.

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Q. Well, what was he? A. He was the head of the Lithographing and Carton Manufacturing Company.

Q. How many representatives of the knitting industry met at the Royal York Golf Club?

5 A. Very representative gathering of the Ontario manufacturers.

Q. What year was that? A. 1933, in the spring, sir.

10 THE COMMISSIONER: I do not yet know what position the witness occupied with this particular firm; you have not told me what position the witness occupied with this firm. He was in the knitting business with this particular firm.

15 BY MR. McRUER: Q. What position did you occupy with the firm? A. I was Secretary-Treasurer and General Manager.

BY THE COMMISSIONER: Q. Of the Macaber Company? A. Yes, sir.

20 BY MR. McRUER: Q. Well then, did you get a notice, or a circular, or anything of that sort calling you to those meetings at the Royal York Golf Club?

A. I didn't. I got a verbal invitation from Mr. Jones; he called at the office.

25 Q. A personal call? A. Yes, sir.

Q. And did Mr. Jones tell you why they wanted you to meet at the Royal York Golf Club? A. Oh, yes.

30 Q. What was the reason he gave for calling you there? A. That complaints had been made, as I mentioned before, that there was cutting in prices.

Q. Well, what was he?

A. He was the head of the Lithographing and Carton Manufacturing Company.

Q. How many representatives of the Knitting

industry met at the Royal York Golf Club?

A. Very representative gathering of the Ontario

manufacturers.

Q. What year was that?

A. 1923.

Q. I do not yet know what position

the witness occupied with this particular firm;

you have not told me what position the witness

occupied with this firm. He was in the knitting

business with this particular firm.

Q. What position did you occupy

with the firm?

A. I was Secretary-Treasurer

and General Manager.

Q. Of the Macdonald Company?

A. Yes, sir.

Q. Well then, did you get a notice

or a circular, or anything of that sort calling you

to those meetings at the Royal York Golf Club?

A. I didn't. I got a verbal invitation from Mr.

Jones; he called at the office.

Q. A personal call?

A. Yes, sir.

Q. And did Mr. Jones tell you why they wanted you

to meet at the Royal York Golf Club?

A. Yes.

Q. What was the reason he gave for calling you

there?

A. That complaints had been made,

as I mentioned before, that there was cheating in the

Q. Price cutting? A. Yes, selling to the
retailers, and it had got to a position whereby there
was no profit in the manufacture.

5 Q. Yes? A. And he thought it would be a good
thing if they could get together to discuss their
difficulties.

10 Q. Yes? A. And, after the first meeting,
it was suggested that each of the mills submit their
costs by each operation - winding, knitting, cutting,
pricing and so forth.

15 Q. Submit their prices to whom? A. To Mr.
Jones, and the names of the mills were not to be
made public at the next meeting but they were to
be known by numbers.

Q. Yes? A. Well, I agreed to do that.
I am a cost accountant --

20 BY THE COMMISSIONER: Q. Will you please tell me
again who Mr. Jones was? A. He was, I believe,
the General manager of a printing concern in London,
a firm that made cartons and supplied them very largely
to the knitting trade, - quite a big concern. Well,
25 we did that --

BY MR. McRUER: Q. Then what happened after that?
A. After that we were called to a meeting in Mr.
Hallam's office.

30 Q. That is, after you had submitted your costs
for the different operations? A. Yes, sir.

Q. You were then called to a meeting in Mr. Hallam's

Brookings

8900

Q. Yes, selling to the
retailers, and it had got to a position whereby there
was no profit in the manufacture.

Q. Yes? A. And he thought it would be a good
thing if they could get together to discuss their
difficulties.

Q. Yes. A. Yes, and that was the reason
it was suggested that each of the mills submit their
costs by each operation - winding, knitting, cutting,
finishing and so forth.

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Q. Will you please tell me
again who Mr. Jones was? A. He was, I believe,
the General Manager of a printing concern in London,
a firm that made cartons and supplied them very largely
to the knitting trade, - quite a big concern. Well,
we did that --

Q. Then what happened after that?
A. After that we were called to a meeting in Mr.

Q. That is, after you had submitted your costs
for the different operations? A. Yes, sir.

Q. You were then called to a meeting in Mr. Hallam's

office.

Q. And was Mr. Hallam there? A. Yes, sir.

Q. What happened? A. The idea there was to form a branch of the industry as a sort of subsidiary to the numerous things he has in his office.

Q. Yes? A. And a special committee was appointed of Mr. Brookes, who represented the Aberley Knitting Mills, Mr. Warren of Warren Brothers who were also knitters, and myself.

Q. Yes? A. To see if a basic price could be fixed for certain standard, staple articles which were common to all the manufacturers.

Q. To discuss the price which you were to sell at. A. Yes.

Q. Well then, what happened with regard to that; tell us the rest of it? A. Well, I did not go any further with it after attending one of the meetings, because my own views were opposed to price-fixing.

Q. Yes. Did you tell them that? A. Oh, yes. My chief difficulty was in getting our material at a competitive price--

Q. Well, we will deal with that in a moment. Is there anything more in regard to this effort to get you altogether to fix, what you call, a basic price? A. A circular was sent out.

Q. Sent out by whom? A. By Mr. Hallam's office, showing the price which had been tentatively

agreed upon by the various mills who were represented.

MR. McRUER: I wonder if Mr. Berry could get me a copy of that circular?

THE WITNESS: It was run off on a Roneo machine.

BY MR. McRUER: Q. A multigraphing machine?

A. Yes, oh, yes.

Q. And the purport of that circular was, certain basic prices for certain staple articles? A. Exactly.

Q. And that is the way it was arrived at, after a meeting at the Royal York Golf Club? A. Yes, after a meeting at the Royal York Golf Club. We met again at the Royal York Golf Club, on two more occasions, to discuss these different costs.

Some were high and some were lower than others.

Q. That was before the circular was sent out?

A. Oh, yes.

Q. And was there any committee organized at the time the circular was sent out? A. The only one I have spoken of was the one which was composed of myself, Mr. Brooks, and Mr. Warren.

Q. Now, was there anything said as to how this suggested price was to be maintained? A. Well, but none of the parties would depart from that price without notifying the central office, or without giving the others an opportunity to adjust their price. There were no penalties, or anything of that kind.

Q. What articles do you recollect in the knitting

agreed upon by the various mills who were repre-
sented.

MR. PRYDE: I wonder if Mr. Barry could get

me a copy of that circular?

MR. PRYDE: It was run off on a home machine.

MR. PRYDE: Is it a very long circular?

A. Yes, oh, yes.

Q. And the purport of that circular was, certainly

to get the various mills to agree to a common price?

A. And that is the way it was arrived at, after

a meeting of the various mills at the

after a meeting at the Royal York Golf Club. No

met again at the Royal York Golf Club, on two more

occasions, to discuss these different costs.

Some were high and some were lower than others.

Q. That was before the circular was sent out?

A. Oh, yes.

Q. And was there any committee organized at the

time the circular was sent out? A. The only

one I have spoken of was the one which was composed

of myself, Mr. Brooks, and Mr. Warren.

Q. Now, was there anything said as to how this

suggested price was to be maintained? A. Well,

but none of the parties would depart from that price

without making an effort to do so.

Q. Giving the others an opportunity to adjust their price

There were no penalties, or anything of that kind.

Q. What articles do you recollect in the circular

trade would be covered by that circular? A. Well, there was what was known in the trade as the boys' pullovers, v-necked, and what is called Crew-neck, and polo collar.

5 Q. Yes? A. And the cardigan jacket.

Q. Yes. Well, you say you withdrew? A. I did not withdraw, - the thing sort of petered out.

Q. It petered out? A. Yes.

10 Q. Why? Because they did not live up to it? A. I think that was largely the reason.

Q. Well then, you mentioned some difficulty in getting your raw materials at competitive prices?

A. Yes.

15 Q. What were your raw materials? A. Yarns.

Q. Different kinds of yarns? A. Yes.

20 Q. Cotton yarn or wool yarn? A. Worsted and woollen. Our supplies mostly consisted of what is known as counts 2/18 in worsteds and botanys, and a limited line of single counts.

Q. Now, what do you mean when you say you had difficulty in getting these at competitive prices?

25 A. Well, I might mention, Mr. McRuer, ours was a small mill. We employed about 20 people in the factory, and we made, more or less, of a specialized line for school boys, and a limited line for golfers, and so forth, and we had really based our production on English yarns, for two reasons: we were getting them cheaper and they were better to knit; they went through the machines much better; there was

30

trade would be covered by that circuit? A. Well, there was that was known in the trade as the heavy, poliovers, v-necked, and what is called cross-neck, and polo collar.

. Yes? A. And the Canadian jacket.

. Yes. Well, you say you withdrew? A. I did not withdraw, - the thing sort of petered out.

. It petered out? A. Yes.

. Why? Because they did not live up to it?

A. I think that was largely the reason.

. Well then, you mentioned some difficulty

in getting your new materials at competitive prices

. Yes.

. And you say you were disappointed?

. Different kinds of yarns? A. Yes.

. Cotton yarn or wool yarn? A. Cotton yarn.

and woolen. Our supplies mostly consisted of what

is known as counts 2/16 in worsteds and batmans,

and a limited line of single counts.

. Now, what do you mean when you say you had

difficulty in getting these at competitive prices?

. Well, I might mention, Mr. Wheeler, there was a

small mill. I employed about 20 people in the

factory, and we made, more or less, of a specialized

line for school boys, and a limited line for college

and so forth, and we had really based our production

on English yarns, for two reasons: we were getting

them cheaper and they were better to knit; they

were through the machines much better; there was

less time lost in the winding and spinning, and it made up a better, softer garment.

Q. Yes, but I want to know what you mean by your difficulties in getting your raw materials at competitive prices?

A. Well, there was 11½ cents a pound specific duty slapped on, which was a very very considerable amount. When the Government takes 11½ cents out of your pocket and gives you nothing for it it is a terrible obstacle to overcome. To give you an example --

BY THE COMMISSIONER: Q. 11½ cents, was that the only duty? A. No, sir. There was the regular tariff from 12½ cents to 15 cents ad valorem.

MR. McRUER: Q. And what was the usual price? I mean without these duties?

A. The ordinary import duty from Great Britain, - to give you an example, we could lay down a certain line of what we call marle, - it is a heather mixture - in our factory from 62½ cents to 65 cents a pound, but when the duty was changed it brought that up; and then there was another thing, they rang in on us, my lord, a fixed valuation of the pound, and what with the duty and that, why, it sent the price up to about 78 cents or 79 cents a pound. The price at that time cost us 82 cents to 83 cents, and it did not pay us to manufacture to any considerable extent.

We were being supplied principally from two mills whom I had satisfactory arrangements with, and I would

less time lost in the winding and spinning, and I
made up a better, softer garment.

Q. Yes, but I want to know what you mean by your

difficulties in getting your raw materials at

competitive prices?

11 cents a pound specific duty slapped on, which
was a very considerable amount.

Government takes 11 cents out of your pocket and
gives you nothing for it is a terrible obstacle
to overcome. To give you an example --

BY THE COMMISSIONER: 11 cents, was that the

only duty? A. No, sir. There was the regular

tariff from 12 cents to 15 cents ad valorem.

Q. Now, what was the usual price?

I mean without these duties? A. The ordinary

import duty from Great Britain, - to give you an

example, we could lay down a certain line of wool

we call merino, - it is a heavier mixture - in our

factory from 62½ cents to 65 cents a pound, but when the

duty was changed it brought that up; and then there

was another thing, they rang in on us, my lord,

a fixed valuation of the pound, and what with the

duty and that, why, it sent the price up to about

78 cents or 79 cents a pound. The price at that

time cost us 68 cents to 69 cents, and it did not

pay us to manufacture to any considerable extent.

As we were being supplied principally from two mills

near I had satisfactory arrangements with, and I don't

like to say, sir, that I have no complaints whatever regarding them, they treated us fine. It was merely a question of price, and when our price went from 63 to 64 cents to 83 and 85 cents I advised the directors that they would be very ill advised to continue manufacturing that line; so we ceased manufacture.

Q. And did you cease altogether? A. No.

I saw Mr. Burns, of the Monarch Knitting Mills, and he bought us out at 100 cents on the dollar, so our end was very favourable. He admitted we had a good line, and he bought our plant, which he did not need, of course, because they have a marvelous plant down there.

Q. Was there, or was there not, any competition among the firms that supplied you with yarn?

A. Practically none.

Q. You paid the same price for the same yarn from each firm? A. Yes, but I will go this far and say that the two principle supply houses, I might mention that they gave me a little better price than any one of the big spinners; all their prices were the same.

Q. Those two were the same? A. Yes, those two were the same.

Q. For the same yarn? A. For the same yarn, yes.

Q. Were they located in the same part of the country?

Brooklyn

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line to say, sir, that I have no complaints whatever

regarding them, they treated us fine. It was

merely a question of price, and when our price went

from 65 to 84 cents to 83 and 85 cents I advised the

directors that they would be very ill advised to

continue manufacturing that line; so we ceased

manufacture.

Q. And did you cease altogether?

A. No.

I saw Mr. Hanna, of the Monarch Knitting Mills, and

he bought us out at 100 cents on the dollar, so our

and was very favorable. He admitted we had a

good line, and he bought our plant, which he did not

need, of course, because they have a new plant

now there.

Q. Was there, or was there not, any competition

among the firms that applied you with yarn?

A. Practically none.

Q. You paid the same price for the same yarn

from each firm? A. Yes, but I will go this far

and say that the two principal supply houses, I

might mention that they gave me a little better price

than any one of the big spinners; all their prices

were the same.

Q. You had one big supply house?

A. Yes, sir.

Q. For the same yarn?

Yes.

5 A. Well, one was at Guelph, and the other at Galt.
I wanted distinctly understood, Mr. McRuer, that
I am not finding fault with those two concerns because
our relations were most amicable., and all the yarn
they supplied us with was very good.

Q. But the result of those increased tariffs,
apparently, was to restrict your operations?

10 A. Yes. As I say, I advised the directors it was
very dangerous to carry on.

Q. Very dangerous to have carried on? A. I
doubted if we would be able to carry on manufacturing
and make a profit.

15 BY THE COMMISSIONER: Q. What became of the
business after you sold it? Did somebody else take
it over? A. One of the largest concerns in
Canada, sir, at Dunnville - the Monarch Knitting Mills;

20 BY MR. McRUER: Q. And are they carrying it on?
A. Yes. I made an arrangement with them that the
Superintendent of our factory would go down to show
them how to make some of the specialties.

25 Q. Are they manufacturing now? A. Oh yes, with
our trade marks, and doing a very good business.

BY THE COMMISSIONER: Q. Are they carrying on where
you were located? A. No, sir.

30 CROSS-EXAMINATION BY MR. KELLOCK:

Q. Your business was located where, Mr. Brocklesby?

A. Well, one was at Oueigh, and the other at Salt.

I wanted distinctly and exactly, Mr. McKean, that

I am not finding fault with these two concerns because

our relations were most amicable, and all the year

they supplied us with was very good.

A. Yes, as I say, I advised the director it was

very difficult to carry on.

undoubtedly if we would be able to carry on manufacturing

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Prisoners after you sold it? Did somebody else take

James, Sir, at Danville - the Honorable Kaituma Miller

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Brooklesby, XX

by Mr. Kellock

A. Adelaide Street.

Q. In Toronto?

A. Yes, sir.

Q. And, when you sold out to the Monarch Knitting Mills, it was closed up? A. Oh yes; they moved it lock, stock and barrel.

Q. And you said you got 100 cents on the dollar? was that 100 cents on the dollar for the inventory?

A. Yes, sir.

Q. What was the capitalization of your company?

A. \$10,000.

Q. Were you a shareholder? A. I was a nominal shareholder.

Q. And what stock, what inventory did you have when you sold out? A. Well, I am speaking from memory now, Mr. Kellock, and it might vary a few hundred dollars; but somewhere in the neighbourhood of \$8,000 or \$9,000. That is not including plant, you know.

BY THE COMMISSIONER: Q. That is not including plant? A. No, that is not including plant.

BY MR. KELLOCK: Q. No. And you carried on business just for three years? A. Yes.

Q. That was a new venture for you, was it? A. No, not entirely.

Q. Was it a new venture for the shareholders? A. No, not all of them.

Q. Well, what previous experience did they have? A. They had been connected with another Knitting Mill,

by Mr. Brydie

A. Brydie Street.

Q. In Toronto?

A. And, when you sold out to the Toronto Trusting

Millie, it was closed up? A. Oh yes; they

moved it back, stock and money.

Q. And you said you got the money on the selling?

was that 100 cents on the dollar for the inventory?

A. Yes, sir.

Q. What was the capitalization of your company?

A. \$100,000.

Q. Were you a shareholder?

A. Yes, sir.

Q. And that stock, what inventory did you have

when you sold out? A. Well, I am speaking from

memory now, but I think it was about

hundred dollars; but somewhere in the neighborhood

of \$2,000 or \$3,000. That is not including plant.

Q. Yes.

BY THE EXAMINER: Q. That is not including

plant? A. No, that is not including plant.

BY MR. BRYDIE: Q. No. And you carried on

business for some time?

A. That was a new venture for you, was it?

A. Yes, sir.

Q. Was it a new venture for the shareholders?

A. No, not all of them.

Q. Well, what business was it that you

carried on? A. That was a new venture for the shareholders.

which, owing to internal trouble, had got into difficulties, and I was the liquidator of the old mill.

Q. You are a trustee in bankruptcy, Mr. Brocklesby?

A. Well, not exactly, Mr. Kellock. My business is that of cost accountant, ~~fe~~ which I have been following for over twenty-five years. This business had run into difficulties with the wholesalers and the bankers. When a business has got to be rehabilitated I undertake to rehabilitate it, and, as I say, I happen to be the liquidator. I am a business doctor and undertaker, if you like.

Q. The way you got in touch then with this Macaber Knitting Mills Company was through your activities as a cost accountant and your interest in businesses that happen to be in difficulties?

A. Exactly.

Q. And was the Macaber Knitting Mills a new incorporation when you became in touch with it?

A. Yes, sir.

Q. Then it took over some previously unsuccessful business?

A. Yes, sir.

Q. And you have just told me now that the shareholders in the Macaber Knitting Mills had had previous experience?

A. Not all of them, one of them only.

Q. They had had no previous experience in the textile business?

A. Not the shareholders, no.

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. You are a trustee in bankruptcy, Mr. Brocklebank. A. Well, not exactly, Mr. Wallock. My business

is that of cost accountant, to which I have been

employed for some time. This business

had run into difficulties with the wholesalers and the bankers. When a business has got to be rehabilitated

I undertake to rehabilitate it, and, as I say,

I happen to be the liquidator. I am a business

doctor and undertaker, if you like.

. The way you got in touch with this

weaver knitting mill is through your

activities as a cost accountant and your interest

in businesses that happen to be in difficulties?

A. Exactly.

. And was the weaver knitting mill a new

incorporation when you became in touch with it?

Yes, sir.

. Then it took over some previously unsuccessful

ventures, did it?

. And you have just told me now that the

weaver knitting mill had had

previous experience? A. Not all of them, one or

two.

. They had had no previous experience in the

business? A. Not the shareholders, no.

Q. And had you had any previous experience in the textile business, as regards costs? A. No, not manufacturing. I am not a manufacturer.

5 Q. No, now you did not make any profits while you were operating the Macaber Knitting Mills? A. Yes, we showed an operating profit.

10 Q. Well, but not worth while to induce you to carry on? A. Not in my judgment, because we did not know what they were going to do with those blamed tariffs; the business was so uncertain.

15 Q. The Macaber Company carried on but did not make profits that were sufficient to induce you to continue? A. No.

Q. Now, the Mr. Jones that you spoke about, is that Mr. Jones of Lawson and Jones? A. I think he was connected with the Jones Lithographing Company.

20 Q. Yes, Lawson and Jones, and beyond the fact that he made a product that he sold to some textile factories, you have no knowledge of any connection of his with the textile industry? A. In fact he had none. It was purely an arrangement, - he wanted to be friends with all his customers?

25 Q. That is the only interest he had in the textile business? A. Yes, as far as I know.

30 Q. Now, Mr. Brocklesby, when you attended that meeting at the Royal York Golf Club on Mr. Jones' invitation, you knew what it was for, I suppose? A. Oh yes, certainly.

Q. And you had any previous experience in the

textile business, as regards costs? A. No, not

manufacturing. I am not a manufacturer.

Q. And you had any previous experience in the

were operating the Macosser Knitting Mills? A. Yes,

we showed an operating profit.

Q. Well, but not worth while to induce you to

carry on? A. Not in my judgment, because

we did not know what they were going to do with those

blended textiles; the business was so uncertain.

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meeting at the Royal York Golf Club on Mr. Jones'

invitation, you knew what it was for, I suppose?

A. Oh yes, certainly.

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Brocklesby, XX

Q. And you attended that meeting and you agreed to give your costs? A. Yes, sir.

Q. And the thing that prompted you to do that was the experience that you had actually had operating the Macaber business and the price-cutting you had experienced? A. No, no.

Q. All right? A. The reason I did it was this: Ours was a new mill and I wanted to get to know the other fellows, and I wanted to be friendly with them. I did not mind our own costs because I knew what our costs were.

Q. You knew what your costs were, and you wanted to meet the other mill operatives socially, and you wanted to know what the other mills' costs were?

A. No, I wasn't interested. I did not care what the other mills' costs were.

Q. It was purely social? A. Yes, and to learn. I am always open to learn.

Q. Well, what would you learn, the costs of the other mills? A. I would learn the other fellow's troubles. I will tell you one reason too, what I was up in arms against, that was the giving of special rebates and discounts to the large buyers. I wanted them to correct and cut that out.

Q. That was a practice that you objected to? A. Yes, although it did not affect us very much because we always got our price; we made articles that anybody could sell at a profit.

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know the other fellows, and I wanted to be friendly

with them. I did not mind our own costs because

I knew what our costs were.

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to meet the other mill operators socially, and you

wanted to know what the other mill's costs were?

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special rebates and discounts to the large buyers.

I wanted them to correct and cut that out.

Q. Yes, although it did not affect us very much.

A. Yes, although it did not affect us very much.

Q. And you would not have any objection to

that anybody could get at a profit.

Q. You did not think it was fair? A. I did not, no.

Q. And you wanted them to correct that sort of thing? A. I really did not care. My suggestion was it was an ethical in business, that is, it was not fair to give special rebates.

Q. In other words, your view was that such a thing restricted competition, that is, giving rebates to large buyers and that sort of thing; you did not consider that ethical? A. No. I like an opponent of mine to be right out in the open.

Q. You want to know what the other fellow is doing? A. No, sir.

Q. You want to know that he is doing the same as you are? A. I will tell you why, Mr. Kellock--

Q. Let me put it this way, Mr. Brocklesby: you want to know what he is not doing? A. No.

My objection was not from the knitting mill standpoint but from the ethical standpoint.

Q. Merely as a good citizen, you mean?

A. Yes. The reason for it, if I were in a big way and if our mill --

Q. You were a small mill? A. Yes, we were not interested in those big units because of the fact that we made a specialized garment which we sold from coast to coast. I felt that we were turning out an article which appealed to the public, and which the retailer could pay us our cost and permit us to make

8911 Brookleaze, N.Y.

Q. You did not think it was fair? A. I did

not, no.

Q. And you wanted them to correct that sort of

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that we made a specialized garment which we sold from

coast to coast. I felt that we were turning out an

article which appealed to the public, and which the

retailer could pay us our cost and permit us to make

a manufacturing profit. We were not after mass production.

Q. Well then, one of the things that you objected to was the case of where your mill would have to buy f.o.b. Montreal instead of f.o.b. mill, whereas a larger unit than yours would be able to have their material delivered freight paid; you would object to that? A. Oh, no.

Q. You would not? A. No, because while I am not very astute I can add, and I know what it is going to cost me to buy either Liverpool or Montreal. The we figure out our laid-down cost, Mr. Hellock.

(Page 8915 follows)

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a manufacturing profit. It would not after all

be a profit.

. Well then, one of the things that you object

to was the fact of where you will have to

buy the stock. Montreal market of 1.0.0. mill, whereas

a larger unit than yours would be able to have

more money, and would be able to have

object to that? A. C. Co., Inc.

. You would not? No, because while I

am not very sure I can add, and I know what it is

going to cost us to buy either Liverpool or Montreal.

It is a matter of fact, Mr. Brydie,

(Page 2913 follows)

Q. I do not think you quite appreciate my question; what I am asking you is this, whether it is F.O.B. mill or Toronto or Montreal or how it is done, would you consider it good practice for any mill selling yarn to you, that you had to pay the freight on it and a mill selling yarn to a larger consumer than you/^{which}would get its freight paid? A. That would not concern me at all, Mr. Kellock.

Q. Alright, that would not concern you; we will leave it that way. A. The only thing that concerns me is what it cost me in my warehouse; I don't care how it got there;

Q. I thought you were objecting a moment ago to rebates and allowances as between you and some other mills? A. No, I did not say that; I said the practice in the trade came up for discussion of giving special discounts and rebates, and I did think so -- I thought that was unethical and it would be a good plan if it was stopped but that did not affect us because we were not in quantity production.

Q. You were so small it didn't affect you? A. I have always been a small man, Mr. Kellock.

Q. I just want the facts, I am not belittling you, Mr. Brocklesby. I know you and you know me. Now, Mr. Brocklesby, I just want to go back for a minute to your meeting at the Royal York; you told his lordship that you knew that was to find out what the costs of the mills were in the first place?

A. After our first meeting, yes, there was no secret about it.

Q. And the thing that prompted this meeting was

the fact that many mills were selling below what it really cost them to produce their article?

A. Yes, they were forced into that position. I don't know whether you want to know why; that is a long story.

Q. No, I want to know what the fact is because that apparently arises at a number of times as well as when you were in the business? A. Yes.

Q. And that was the reason that prompted this getting together? A. Yes.

Q. And you said that your view was that you were opposed to any kind of price fixing? A. Yes, I may be wrong but I am an individualist. I believe a man should make his own mistakes.

Q. I am just asking you, Mr. Brocklesby, having these views -- was that a view you had before you attended any meeting or is that a view you acquired after you attended a meeting? A. It is a view I have had for over a quarter of a century.

Q. Then, knowing what the object of the meeting was, that is, to discuss with the mills prices that would enable them to sell at what it was really costing them to produce the article why did you go at all if you were opposed to that sort of thing?

A. Mr. Kellock, I am an old Wesleyan Methodist and I believe in the eleventh hour conversion. I am not so thick headed and stiff backed that I am not open to conversion if my views are shown to be wrong.

Q. Then, I put it this way, after you have had your 40 years in other business and you had a little

Q. Now, I want to know what the fact is concerning that apparently untrue at a number of times as well as when you were in the business?

A. Yes, they were forced into that position. I don't

know whether you want to know why; that is a long story.

Q. No, I want to know what the fact is concerning

that apparently untrue at a number of times as well

as when you were in the business?

Q. And that was the reason that prevented this

getting together?

A. Yes.

Q. And you said that your view was that you were

opposed to any kind of price fixing?

A. Yes.

Q. May be wrong but I am an individualist. I believe

a man should make his own mistakes.

Q. I am just asking you, Mr. Woodbridge, having

these views -- was that a view you had before you

attended any meeting or is that a view you acquired

after you attended a meeting?

A. It is a view I have had for over a quarter of a century.

Q. Then, knowing what the object of the meeting

was, that is, to discuss with the milla prices that

would enable them to sell at what it was really

costing them to produce the article why did you go

at all if you were opposed to that sort of thing?

A. Mr. Wallace, I am an old Wesleyan Methodist and

I believe in the eleven-hour convention. I am not

opposed to any kind of price fixing.

Q. To conversation if my views are shown to be wrong.

A. Then, I put it this way, after you have had

your views in regard to price fixing, you have had

experience of two years in this business you thought it was legitimate in this sort of situation to meet as an equal in the trade; is that right? A. I don't think that is quite a fair question.

5 Q. How would you put it? A. I would put it this way; ours was a new mill and we did not wish the other mills to think we were doing anything to their detriment and we wished to be friendly with our competitors and I was asked by a gentleman to attend the meeting as representing our mill and I attended it without any reservations. I didn't think I could force my opinions on them. I was not going to say "I am holier than thou, I won't have anything to do with you." I said "Certainly, gentlemen, I will play with you".

10 Q. Then, Mr. Brocklesby, the items on which the prices were ultimately to be on a cost of production basis, what proportion of the range of products manufactured by your mill would it cover; are they standard lines or cheaper lines? A. No, not the very cheap lines because these are only made by one or two mills that have enormous production which the other mills don't bother about. It was boys' clothing, largely.

20 Q. If not the cheapest line the next to the cheapest line? A. Yes, what you would call staple lines and better lines.

25 Q. Did you promise to live up to these terms? A. I didn't promise anything. I said "those are our costs, they give us a profit and those are the

experience of two years in this business you thought
it was legitimate in this sort of situation to meet
as an equal in the trade; is that right?
A. I don't think that is quite a fair question.

Q. How would you put it?
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this way; ours was a new mill and we did not wish
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cheapest line?
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Q. Did you promise to live up to these terms?
A. I didn't promise anything. I said "these are
our costs, they give us a profit and these are the

prices we are going to get irrespective of what you are getting."

Q. You didn't promise? A. No, I told them what we would do.

Q. If you didn't promise there was nothing for you to live up to? A. No -- I did say this, that we would not sell less than the cost of production because it was so foolish.

Q. Then, you did promise not to do any of this price cutting by selling below your cost of production?

A. I think you perhaps better quality that, too. I found out this, that our cost of production was less than some of the big mills.

Q. I am not speaking of that at all? A. No, but I am, and it did bring out that a small well managed mill, if they could get their raw material at a reasonable price, need not avoid competition from any combine.

Q. What I asked you was did you promise -- I thought you told his lordship that you did promise not to sell at less than your cost of production?

A. Absolutely, I did not need any agreement for that.

Q. I asked you did you agree? A. No, because I will tell you an agreement has got to be a meeting of minds and the other side would not agree to that.

Q. Quite; my friend would not admit that but I will admit that. I will take it you did not promise, therefore --

MR. McRuer: There was nothing to live up to.

raises as we going to get the opposite of what you
the building.

Q. You don't promise? A. No, I told them what
we would do.

Q. If you didn't promise there was nothing for

you to live up to? A. No -- I did say this

that we would not sell less than the cost of production
because it was so high.

Q. Then, you did promise not to do any of this

when you were in the building and you were not in the building

Q. I think you were in the building when you

I found out this, that our cost of production was

less than some of the big mills.

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be sure that you will not be in the building when you

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a meeting of minds and the other side would not

agree to that.

Q. Right; my friend would not admit that but

will admit that. I will tell you it was not

promise, it was not --

Q. Right; that was a promise to live up to.

THE WITNESS: I promised, if you like, but I did not agree. That is a distinction again.

BY MR. KELLOCK: Q. That is too much for me.

A. I don't think so, Mr. Kellock.

MR. McRUER: I think you are as tender about the word agreement as Mr. Kellock is.

BY THE COMMISSIONER: Q. Do you think you can get it down to this; did you agree not to reduce your price without notifying the others?

A. No.

Q. That was not the agreement.

BY MR. KELLOCK: Q. Then, you had nothing to live up to in that respect? A. No.

Q. You don't know whether anybody else lived up to it or not? A. I really was not

interested. I will tell you this, I did tell Mr. Jones -- because I knew him very well; he could

come into our office and look at our ledger and see whether we were giving special rebates to any customers or not, or any special terms.

Q. Mr. Brocklesby, you were speaking about some fixed valuation under the Customs law?

A. Yes, sir.

Q. What two years were you in business again?

A. 1932 and 1933.

Q. Do you know how the fixed value is arrived at?

A. I was not in the mind of the government. It often puzzled me how it was arrived at, Mr. Kellock. That was a mystery, it was arbitrary, as far as I could see

THE WITNESS: I promised, if you like, but I did not agree. That is a distinction again.

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the word agreement as Mr. Kellock is.

BY THE COMMISSIONER: Q. Do you think you can get it done to this; did you agree not to reduce your price without notifying the other?

A. No.

Q. That was not the agreement.

BY MR. KELLOCK: Q. Then, you had nothing to live

up to in that respect?

A. No.

Q. You don't know whether anybody else lived

up to it or not? A. I really was not

Jones -- because I knew him very well; he could

come into our office and look at our ledger and see

whether we were giving special rebates to any one.

Yes or not, or any special terms.

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quoted to me it was arrived at, Mr. Kellock. That

was arbitrary, as far as I could see.

Q. Do you know this about it, Mr. Brocklesby, that as far as you know at that time, as well as all other times so far, the par value of the pound sterling is \$4.86? A. 66 --

5 Q. \$4.66? A. \$4.8666, let us be accurate.

Q. Do you know what the fixed value you spoke about was? A. It varied, it was \$4.40 some times.

10 Q. Do you know what the approximate current exchange during that period was? A. I cannot tell you, Mr. Kellock, because we had such a nuisance over one of them --

MR. MORNER: It was \$3.90 in 1932, in July, 1932.

15 BY MR. KELLOCK: Q. Would you take it from me it was approximately \$3.80? If my friend wants his figure I will take it. A. I would believe any statement you make.

20 Q. So that the duty that the government could have collected during that period would have been the difference between \$4.86 which was the value of the pound and the current exchange of \$3.80; is that right? A. I heard Mr. Justice Riddell say the government can do anything except make a man into a woman.

25 Q. I am not asking you a matter of law; I am asking you whether you know what duty could be collected? A. No.

30 Q. Do you know as a matter of fact if the fixed value was \$4.40 and the par value \$4.86 that the duty actually collected would be the difference between those two, or only 40 cents? A. That is

Q. Do you know this about it, Mr. Bryson?

A. That as far as you know at that time, as well as all other times no far, the value of the money

averaging is \$4.35.

Q. \$4.35? A. \$4.35, let us be accurate.

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over one of them --

MR. BRYSON: It was \$3.90 in 1932, in July, 1932.

BY MR. BRYSON: Would you take it from me

it was approximately \$3.90? A. It was around there his

statement I will say it.

Q. Is that statement you make.

A. That the only way the Government could

have collected during that period would have been

the difference between \$4.35 which was the value of

gold and the current exchange of \$3.90; is that right?

A. I heard Mr. Justice Riddell say the Government could

do anything except make a man into a woman.

Q. I am not asking you a matter of law; I am asking

you whether you know what duty could be collected?

A. No.

Q. Do you know as a matter of fact if the fixed

value was \$4.40 and the new value \$4.35 that the duty

collected would be the difference between

them, that is, \$0.05?

exactly what I am complaining about, why does the Government want to juggle with your prices? Why do they want to make it anything except what it actually is?

5 Q. What you are complaining about is fixing the value? A. Making you pay for something you don't get.

Q. What you were complaining about was fixing the value at all? A. Yes.

10 Q. And not leaving it to the current exchange rate? A. Exactly.

Q. That is all.

15 BY MR. McRUMR: Q. Just one question, you said you could give my friend the reason why these mills were forced to sell below cost if he wanted it and he said he didn't. I will give you the opportunity.

A. It has nothing to do with manufacturing.

Q. Nothing to do with manufacturing? A. No, that is with the financing, rests with the financing.

20 Q. Rests with the financing? A. Yes.

Q. Would the fact of the cost of the raw material have anything to do with it? A. No. A man would finish up the year, or a firm would, with a large inventory and a large bank loan --

25 Q. Pardon? A. He would finish up his year with a large inventory, manufactured stock; perhaps it was nothing out of the way, perfectly alright, if he could afford to carry it. He would have a bank loan which possibly the bank thought would be too much. He would be tipped off to liquidate the inventory. 30 Now, in the City of Toronto a nod is as good as a wink

exactly what I am complaining about, why does the
Government want to juggle with your prices? Why do
they want to make it something except what it actually is?
Q. What you are complaining about is fixing the
value? A. Making you pay for something you
don't get.
Q. What you are complaining about is fixing
the value at all? A. Yes.
Q. And not having it to the current exchange
rate? A. Exactly.
Q. That is all.
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could give my friend the reason why these mills were
forced to sell below cost if he wanted it and he said
he didn't. I will give you the opportunity.
A. It has nothing to do with manufacturing.
Q. Nothing to do with manufacturing? A. No.
That is with the financing, rests with the financing.
Q. Rests with the financing? A. Yes.
Q. Would the rest of the cost of the raw material
have anything to do with it? A. No. A man
would finish up the year, or a firm would, with a
large inventory and a large bank loan --
Q. Bank loan? A. He would finish up his year
with a large inventory, and a large bank loan.
It was nothing out of the way, perfectly alright, it
he could afford to carry it. He would have a bank
loan which possibly the bank thought would be too
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Now, in the City of Toronto a nod is as good as a vote

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to a blind horse, and every manufacturer in the clothing industry knows what that means, to go down to two certain places and take whatever cash they will give you, because the banks will not discount the average customer's paper. That was the real reason behind that, Mr. McRuer, nothing to do with manufacturing at all.

Q. Alright, that is all.

HUGH W. MACDONNELL, sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Macdonnell, you are connected with the Canadian Manufacturers' Association? A. Yes.

Q. In what capacity? A. I am secretary of the Industrial Relations Department.

BY THE COMMISSIONER: Q. Wait till I get that now, secretary -- A. Of the Industrial Relations Department.

Q. Of the Canadian Manufacturers' Association? A. That is it, my lord.

Q. Alright.

BY MR. McRUER: Q. What is the Canadian Manufacturers' Association? A. It is an Association composed at the present time of some 3200 or 3300 members all over Canada, whose general purpose is set out in the constitution of which I have a copy here.

Q. Well, I would be glad if you would let us have it. A. Is to promote the interests of Canadian industry, try to develop Canadian industry.

THE COMMISSIONER: Are you filing a copy of the

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industry knows what that means, to go down to two
certain places and take whatever cash they will give
you, because the banks will not discount the average
customer's paper. That was the real reason behind
that, Mr. McNamara, nothing to do with manufacturing at
all.

Q. All right, that is all.

BY MR. McNAMARA:

Q. Mr. McNamara, you are connected with the

Q. In what capacity? A. I am secretary of

the Industrial Relations Department.

BY THE COMMISSIONER: Q. Well till I get that

now, secretary -- A. Of the Industrial Relations

Q. Of the Canadian Manufacturers' Association?

Q. That is it, my lord.

BY MR. McNAMARA: Q. What is the Canadian Manufacturers'

composed at the present time of some 3200 or 3300

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out in the constitution of which I have a copy here.

Q. Well, I would be glad if you would let me

A. Is to promote the interests of

Canadian industry, try to develop Canadian industry.

THE COMMISSIONER: Are you filing a copy of the

constitution?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: It will be exhibit 664.

EXHIBIT NO. 664: Constitution and by-laws of
Canadian Manufacturers'
Association.

BY THE COMMISSIONER: Q. Constitution and the --
A. Constitution and by-laws, my lord.

BY MR. McRuér: Q. The by-laws are in the same
book, are they, Mr. Macdonnell? A. Yes.

THE COMMISSIONER: Alright.

BY MR. McRUER: Q. I see that it is divided into
certain divisions; would you just enumerate them to
his lordship, please?

A. There are five
divisions, my lord; beginning at the west, British
Columbia, the Prairie division, Ontario division,
Quebec division, and Maritime division, five in all.

Q. And then it is divided into branches; what
is that, Mr. Macdonnell? A. Well, in important
centres like Toronto and Montreal and Winnipeg and
Vancouver and one or two others there will be so-called
branches, that is to say, the local members get together
to discuss, and if necessary, take action upon matters
which affect them in their locality, but are of no
concern to the general association.

Q. I don't just quite understand what you mean
by that; can you give any illustration of these branches?

A. Well, as I say, there are branches in the big cities
and even in smaller places, like Brantford; there is a
branch there. The Brantford branch might, and I have
no doubt, has, although it isn't within my recollection

constitution?

MR. McHUGH: Yes, my lord.

THE COMMISSIONER: It will be exhibit 664.

MR. McHUGH: Yes, my lord.
Canadian Manufacturers' Association.

BY THE COMMISSIONER: Of Constitution and the --

A. Constitution and by-laws, my lord.

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branch there. The branch in Brantford, my lord, has

no doubt, had, although it isn't within my recollection

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at the moment, they might take some action on a matter of municipal politics, that is to say, if there was some question which the manufacturers living in that particular area considered had a bearing upon their interests, and they felt that they, as a group of manufacturers, should have something to say about it, and do something about it, they might proceed to do it.

Q. That is, if there was some matter came up in municipal politics that specially affected the manufacturers they would use the organization of their branch to make their views felt? A. Yes, that is possible.

Q. And I suppose, if necessary, to make their views effective by electing those that might favour that view? A. Well, I don't know as it has ever gone as far as that but they have, naturally, as other groups of citizens have from time to time, tried to make their influence felt in matters affecting them as members of that particular community.

Q. But, as you say, the whole association might have no interest in this particular local matter? A. Exactly.

Q. And outside of political affairs of a local nature would there be any other affairs that the local branch would take an interest in? A. Well, when I say political, what I mean is the members of the association living in the particular community may from time to time meet, and, as I say, discuss and take action upon any matter which concerns them

of the moment, they might take some action on a
matter of municipal politics, that is to say, if there
was some question which the municipality was living in
that particular area concerned had a bearing upon
their interests, and they felt that they, as a group
of manufacturers, should have a meeting to say about
it, and so something about it, the night passed

to do it.
I think so, for there was some action taken in
municipal politics that actually affected the manu-
facturers they were one who organization at their
local politics.

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views attractive of collecting those that might report
that view? A. Well, I don't know as it has
ever come as far as that but they have, naturally,
other groups of citizens have from time to time, for
to make their influence felt in matters affecting
them, some of that political committee.
I see, as you say, the whole association might
have no interest in this particular local matter?

I think so.
And outside of political affairs of a local
branch would be an interest in
when I say political, what I mean is the work of
the association living in the political committee
way from time to time, and, as I say, this

locally.

5 Q. Oh yes, quite, but I am dealing with the question of a branch of the Canadian Manufacturers' Association, and I can quite understand that local merchants or local manufacturers or local householders in a municipality may organize for some particular thing that is up in regard to maybe taxation -- it may be anything at all -- but I am curious to know why the Canadian Manufacturers' Association in their by-laws and constitution provided for the organization of these branches of their association?

10 A. As a matter of fact it does not amount to very much, but I suppose the reason for it is that they want to keep these people members of the general association; I suppose the danger being that unless they can do these things as a branch they might hive off by themselves and not be members of the general association, but the general association has nothing to do with what they do on matters of local concern, nothing whatever.

15 Q. Well, I see in sections 49 to 57 of your by-laws, is it, provision is made -- yes, of the by-laws provision is made for these branches and how they shall be set up, and section 55 provides that

20 "On or before the fifteenth day of May in each year every Branch shall prepare for submission to the Executive Committee an estimate of its financial requirements and except insofar as such estimate shall have been approved by the Executive Committee

25 no Branch shall be deemed to be authorized to expend any money or to incur any liability in the name of

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shall have been approved by the Executive Committee
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any money or to incur any liability in the name of

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"the Association; provided that an application for a supplementary appropriation may be filed by any Branch with the Executive Committee."

5 So that apparently these branches got finances from the Association? A. No, that is not the case.

10 As I understand it, in fact, I know, the purpose of that is to prevent them from incurring any liability in the name of the Association. They didn't make any financial reports and they didn't get any money, and therefore they are not in a position to take any action in the name of the Association or incur any liability. That, in fact, is what happens.

Q. Well, you say there is a Toronto branch?

15 A. Yes.

20 Q. What does the Toronto Branch do? A. Oh, they - I have not got a copy of their annual report, of the Toronto branch, here, but it is a report which is usually summarized -- the annual meeting is held and the press are there and the report is summarized. They deal with such questions as the building up of the industries of Toronto, attracting industries here and so on. I can easily get that for you. I had not thought of bringing that.

25 Q. It is quite alright; I just want to get a bird's eye view of the operation of the association. Then, you have trade sections, paragraphs 58 to 66 of the by-laws? A. Yes.

30 Q. Covering trade sections.

"The members of the Association engaged in any

the following is a list of the names of the persons who have been elected to the office of the President of the Association for the year 1911.

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Then, you have trade sections, paragraphs 58 to 60

of the 1911 report.

governing trade sections.

The names of the members of the association are given

particular trade or industry may, with the permission of the Executive Council, organize themselves into a Section."

Have you a number of these trade sections? A. Yes, there are a certain number of them.

Q. Is there a textile section? A. No, the Primary Textile Institute is not a section. It is a separate organization.

Q. No, no -- A. It is rather confused, as a matter of fact, there originally was -- the Woollen Manufacturers' Association was a section until up to the time of the War, but my understanding is and, in fact, I can say with knowledge, that when to the woollen manufacturers were added first the cotton and then the silk and then the rayon, and so on, they formed the Primary Textile Institute, as you know, sir, and that is not a section of the C.M.A.

Q. I quite understand that, Mr. Macdonnell, but these textile mills that are members of the Primary Textile Institute are at the same time members of the Canadian Manufacturers' Association? A. As individual mills, most of them.

Q. Most of them as individual mills are members of the Canadian Manufacturers' Association?

A. That is correct, sir.

Q. And do you co-operate with the Textile Institute in regard to matters that affect the textile industry? A. The individual members of the textile industry, as you have said, are members of the Association and that being so they take part

Macdonnell 3837

particular trade or industry may, with the per-
mission of the Executive Council, organize them-
selves into a section."

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A. That is correct, sir.

Q. And do you co-operate with the Textile

Institute in regard to matters that affect the

textile industry?

A. The individual members of the textile industry, as you have said, are members

of the association and that being so they take part

in the general activities of the association and sit on committees dealing with this, that and the other thing, but so far as matters of interest, and only of interest to the textile members of the association those matters are dealt with as is, I think, pretty clearly provided for in the constitution, those matters are dealt with entirely by their own association.

Q. Which section are you referring to, Mr.

Macdonnell? A. I am referring, for instance, to 62.

Q. "A Section may deal finally with all matters affecting only the trades or industries represented by such Section, but may not, as such Section, engage in any activities which do not come within the scope of the general by-laws and objects of the Association. It may also pass upon matters of general interest, but in such cases, the results of its deliberations shall be forwarded immediately to the General Manager for submission to the Committee competent to deal therewith."

Can you tell me why the textile industry did not organize as a section of the Canadian Manufacturers' Association but while maintaining membership in the Association organized without it? A. I take it^{it} is because they have some matters which are of interest to them, and not to members of the Association, which they want to deal with on their own.

Q. Does your association have a particular department that deals with tariff matters?

in the general activities of the association and all
on committees dealing with this, that and the other
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of interest to the textile members of the association
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association organized without it? A. I take it

because they have some matters which are of interest

to them, and not to members of the association, which

they want to deal with on their own.

Q. Does your association have a particular

agreement that deals with textile matters?

A. Yes, sir.

Q. Just tell me about that; how long has it been in existence and how many are engaged in that department?

5 THE COMMISSIONER: There may be special by-laws about that department.

BY MR. McRUE: Q. Are there any special by-laws covering that? A. If you will look, sir,

10 at page 8 of that little booklet containing the constitution and by-laws -- I am sorry, page 9, paragraph 23 --

15 "The duty of the Tariff Committee"-- and the Tariff Committee, I should explain, is a standing committee, quite a large committee of the association, members from all over the country and it has general supervision over the work of the tariff department.

20 "The duty of the Tariff Committee shall be to hear, consider and act upon all applications from members who may desire the assistance of the Association in tariff matters. It shall be alive to any changes in the Canadian tariff or in its administration, and shall keep interested members advised in regard thereto. It shall collect and keep on file full information in regard to the tariffs of other countries."

25 I have here, sir, a typical sort of report of the Tariff Committee which might interest you, the annual meeting of the association at each year at which the various standing committees make reports.

30 Q. What date is your annual meeting held at?

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A. At the beginning of June; this last June it was held on the 2nd, 3rd and 4th of June. This particular year these various committee reports are all put together. You can get an idea of the sort of thing that is done, of the work that is done.

Q. Well, your tariff committee report for 1936 is not very long. Does it deal in any way with textiles?

A. As far as I remember it does not. There is a general reference that you will see in the second column of the report to the question of the revision of the United Kingdom trade agreements.

Q. Yes, I think we better just deal with this report, because it is the report off --

THE COMMISSIONER: You are going to put it in?

MR. McRUER: Yes.

THE COMMISSIONER: It is the report of what?

MR. McRUER: It is the report of the executive council of the Canadian Manufacturers' Association.

THE COMMISSIONER: For what year? It is an annual report, is it? For what year?

MR. McRUER: 1936.

THE COMMISSIONER: For 1936.

MR. McRUER: Yes, my lord.

THE COMMISSIONER: It is made already.

MR. McRUER: June, 1936, is the date of their annual meeting.

THE COMMISSIONER: It will be exhibit 665.

EXHIBIT NO. 665: Report of the executive council of the Canadian Manufacturers' Association, June, 1936.

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1936

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Mr. McLaughlin: It is the report of the executive
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THE COMMISSIONER: For what year? It is an annual
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Mr. McLaughlin: 1936.
THE COMMISSIONER: Yes, Mr. Lord.
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Manufacturers' Association,
June, 1936.

MR. MCRAUL: "Trade agreements occupied the greater part of the attention of the Tariff Committee during the past year. First in importance and scope was the trade agreement negotiated between Canada and the United States. Early in 1935, when rumours of negotiations reached the Committee, information was collected and presented to the Government on behalf of members and this information was supplemented from time to time. When the terms of the agreement were announced, the Committee arranged to have the full text sent to all members of the Association and tried to do everything possible in regard to the special cases which arose."

Can you tell me, Mr. Macdonnell, what was the attitude of the committee in their reports to the government prior to the announcement of the agreement; were they opposed to the agreement? A. Well, I find it very difficult to say. There was a difference of opinion among the members of the Association.

Q. A difference of opinion among the members of your association? A. There were various points of view in the association.

Q. I wondered-- I would have thought there must have been some unanimity in the representations that were made to the government, and I wondered whether they were all agreed or opposed? A. Well, you see it does not speak of representations; I think I am correct in saying that. It speaks about information that was collected and presented to the government.

Mr. Brydie: "Trade agreement in relation to the
part of the attention of the tariff committee
seconded the fact that the tariff committee
was in the United States. Only in 1930,
these figures of negotiations showed the committee
government of affairs. I believe the tariff
committee was organized from that time. When
the terms of the agreement were discussed, the
committee was not in a position to take any
all members of the committee and tried to do
everything possible in regard to the tariff
which arose."

Now you will see, Mr. Brydie, that the tariff
of the committee in their reports to the government
prior to the agreement of the agreement; were they
opposed to the agreement?
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the association.
There were various points of
view in the association.
I believe I would have said that there were
some differences in the reports of the tariff
committee to the government, and I remember whether
they were all agreed or opposed?
I think I am
not sure of representation; I think I am
not in a position to say that. It seems to me I am not
in a position to say that.

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Q. I see; but you say there was a difference of opinion among the members in respect to that?

A. Yes.

Q. "It is recalled that there was considerable discussion at the Annual General Meeting of 1935 on trade relations between Canada and Japan. This question has been before the Committee since early in 1935 and, during the intervening period, the Committee endeavoured to act in the best interests of members who were principally concerned."

Can you tell me what action the committee took in respect to that, what they thought was in the best interests of the members concerned? A. Are you reading the second paragraph there?

Q. Yes, the second paragraph on page four?

A. Again I should say that there was -- I am trying to recall -- is that not dealt with later on in this report?

Q. It may be. A. I think the safer way there, if you want to have that answered, sir, would be to allow me to get the actual facts. I am not in a position to say.

Q. Would it be in writing, what was submitted?

A. I am not certain of that. This might have been expressed verbally.

Q. Then, I don't see that the report deals with the change that was made any other way; I don't see that there is any report of any detrimental effect of the revision of the trade agreement with Japan,

Q. I see; but you say there was a difference of opinion among the members in respect to that?

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early in 1935 and, during the intervening period,

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interests of members who were principally con-

cerned.

Q. Can you tell me what action the Committee took in

respect to that, what they thought was in the best

interests of the members concerned?

A. The Committee decided to

Q. Yes, the second paragraph on page forty

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recall -- is that not dealt with later on in this

report?

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the change that was made any other way; I don't see

that there is any report or any detrimental effect of

the revision of the trade agreement with Japan.

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or anything of that nature? A. No, there seems to be nothing in that report.

Q. Then, on page 5, the second paragraph in the right hand column --

"The budget changes, announced by the Minister of Finance on May 1, affected more than one hundred items of the Canadian Customs tariff, included 104 tariff reductions, especially in the rates under the British preferential tariff, and 12 tariff increases. Among the articles so affected were gasoline, electro-plated ware, agricultural implements, machinery, automobiles, yarns, fabrics and manufactures of cotton, and artificial silk yarns. In accordance with the undertaking given to the United States, provision was also made in the tariff whereby Canadian residents returning from the United States may bring back with them, free of duty and taxes, goods for their personal use to the value of not more than one hundred dollars. A circular was sent out immediately after the budget giving the text of all tariff and excise changes. After the budget becomes law any necessary additional information will be sent to members."

Of course, that is all fairly routine? A. Yes.

Q. Well -- by the way, you have not got a copy of the report, or would have one available for the year 1931?

A. I have not got it here; I can get it.

to be nothing in that report.
Then, on page 5, the second paragraph in the
"The budget changes, announced by the Minister of
Finance on May 1, effected more than one hundred
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year 1931?
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Q. If you can find one I would be glad if you would send it to me? A. Very well.

Q. Now, Mr. Macdonnell, you have a staff that looks after tariff matters? A. Yes. There are in the tariff department four men and two or three stenographers.

Q. Who work on tariff matters? A. Yes.

Q. And do your officials make representations directly to the government in respect to tariff changes that are wanted by members of the Association? A. Well, of course, these, nowadays, usually take the form of applications to the Tariff Board. That is where they are dealt with. They have got to be passed on by the Tariff Board and the association does a good deal of work in preparing cases on behalf of groups of members for presentation to the Tariff Board.

Q. Yes, but when there are negotiations under way in respect to tariff changes do your members of your association not keep in touch with the government in respect to those? A. I don't quite understand what you mean by negotiations are under way with regard to changes.

Q. For instance, what is mentioned in the report of the Tariff Committee here? A. Trade agreements with other countries and so forth?

Q. Well, there were negotiations with the United States; that was not a matter going before the Tariff Board at all? A. Quite.

Q. Does your staff not keep in touch with the government in respect to those? A. Oh yes, I

Q. If you can find one I would be glad if you

would find it to me? A. Very well.

Q. Now, Mr. Ingham, you have a report that

looks after tariff matters? A. Yes. There are

the tariff department from one and two or three standing

Q. Who work on tariff matters? A. Yes.

Q. And do your officials make progress towards

directly to the government in respect to tariff

changes that are made by members of the association

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of the tariff committee here? A. Trade

agreements with other countries and so forth.

Q. Well, there were negotiations with the United

States; that was not a matter going before the tariff

board at all? A. Right.

Q. Does your staff not keep in touch with the

government in respect to those? A. Oh yes.

thought that was made clear in the report. We collected all kinds of information and as the report states put it at the disposal of the government.

5 Q. Now, you said the branches of the industry might take an active part in matters of local municipal politics where it affected them; does your industry as a whole take part in national politics in respect to matters that might affect the industry as a whole?

10 A. Well, no -- I mean we are -- the association includes within its membership members of both parties, I think I might say all parties.

15 Q. That may be. A. We even have members of the C.C.F. party in the association so that obviously it would be quite impossible for any part to be taken in politics.

Q. That is, what you say is the association as a whole does not do nationally what you suggested the branches might do? A. Quite; when I spoke of

20 the branches I may have not made myself clear. Their powers are pretty generally simply to ~~take~~ ^{take} over any local matters and they might deal with pretty much anything that they thought affected them as a group of manufacturers. In fact, they are usually very inactive. Most of the branches have one annual meeting and that is about all.

25 Q. Does your association have any department or section that deals with labour matters? A. Yes, the Industrial Relations Department was organized in 1919 and --

30 Q. That is the one you are secretary of?

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the branches I may have mislead myself of late. They take part in politics generally simply to look over on local matters and they might deal with pretty much anything that they thought affected them as a group of manufacturers. In fact, they are usually very inactive. Most of the branches have one annual meeting and that is about all.

Q. Does your association have any department or section that deals with labour matters?
A. No.

Q. That is the one you are secretary of?
A. Yes -- in 1919 and --

A. That is right, sir. That was organized in 1919 and its duties, as set out in the constitution, in the by-laws, rather, on page 9 --

"The duty of the Industrial Relations Committee shall be to study the relations existing between employers and employees".

I may say that the particular reason for setting up this committee in 1919 was that the Treaty of Versailles part 13, setting up the international labour organization, provided, as you know, that the body of employers, the most representative body of employers, in each country should have the right to nominate the employers' representative to attend this conference and the Canadian Manufacturers' Association has been recognized by the government as being the most representative body of employers and it has had that right, so that one of the reasons, as I say, for the setting up of this committee was to keep in touch with that work.

Q. Did they -- do they do anything to bring pressure on their members to maintain reasonable rates of wages and ^{good} working conditions? A. As far as wages are concerned the Association has nothing whatever to do with the question of the wage policy of individual members.

Q. You see, there are two or three problems in an industry, especially a protected one, and one is the amount of protection that they have, the other is what they do with it when they get it, how they treat the consumer and how they treat the employee. Now,

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by-law, under, on page 2 --

"the duty of the International Relations Committee shall be to study the relations existing between employers and employees."

I may say that the particular reason for setting up this committee in this was that the Treaty of Versailles, part 18, setting up the International Labour Organiza-

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of wages and working conditions?

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whatever to do with the question of the wage policy

of individual members.

You see, there are two or three problems in

an industry, especially a protected one, and one is

the amount of production and the other is the

and that is with it some other things, and

and sometimes it is not clear what the

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Mr. Macdonnell,

you are very highly organized to look after the question of the amount of protection that your members get. There is no question about that? A. Well, we are organized.

5 Q. You have got a very efficient organization, I think you said four of a staff, all of whom, I take it, are experts? A. Oh yes, they are experienced people.

10 Q. Yes, experienced people; now, that looks after one branch, to look after the maintenance of what you think is sufficient protection. Now, what branch have you, or do you do anything to look after the other angle, and that is, what the members of your association do with the protection after they have got it, because I may suggest that protection is a gift of the government. It is a gift of the people of Canada, and do you or do you not in your association do anything to see what is done with it when they get it?

15 A. Well, if you ask me whether we, as an association, do anything to try and bring about improvement in working conditions, and so on, I should say undoubtedly we do. We interest ourselves in the most direct, and I hope intelligent, way in questions, in all questions of social insurance, 20 workmen's compensation and minimum wage and old age pensions and so on.

25 Q. You mean, to bring them about? A. Yes; I think, for instance, in the case of the workmen's compensation, I think in Ontario which, of course, 30 set the example for the rest of the country, I think

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question of the amount of protection that your workers

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E. You mean, to bring them about?

I think, for instance, in the case of the workmen,

compare that, I think is a very wide, of course,

and you would not say that it is a very wide, I think

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that the association can claim that it played a very very active part in working out the scheme.

Q. Did your association favour a government workmen's compensation scheme in the Province of Quebec or did you oppose it?

A. There was a difference of opinion in the Province of Quebec, but on the whole I should ~~xxx~~ say that the majority of members, particularly the smaller members, were in favour of it.

Q. The larger ones were against it?

A. The larger ones on the whole were against it, but I think it is no exaggeration to say that in Ontario the association did actually come out strongly in favour of ^a compulsory state insurance scheme and did a good deal to work it out.

Q. Yes, but I want to get at two things, and working conditions, I want to deal with those. I was asking you about wages and I think there is nothing done by the association in respect to any attempts to maintain reasonable wages, and dealing with industries that are protected --

MR. KELLOCK: He said minimum wages.

THE WITNESS: As far as the general wage policy of our members is concerned the Association has nothing to do with it.

BY MR. KELLOCK: Q. Then, in respect to the prices that are charged by members of your association does your association take any part in that?

A. Nothing whatever. The Association would not last a week if it did.

Q. Don't think I am criticizing you for it, I am

that the association can claim that it played a
very very active part in working out the scheme.
Q. Did your association favour a Government

workmen's compensation scheme in the Province of Quebec?
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MR. KILBOURN: He said minimum wages.

THE WITNESS: As far as the

our members is concerned the Association has nothing

to do with it.

BY MR. KILBOURN: Q. Then, in respect to the

persons that are employed by members of your association

does your association take any part in that?

A. Nothing whatever. The Association would not have

been in it at all.

Q. Now I think I am overlooking you for 10, I

just getting the facts? A. Quite, I understand.

Q. If the members of your association get together and agree in regard to maintenance of prices that is done independently of any relationship with the Association? A. Quite.

(page 8942 follows)

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Memorandum

Just getting the facts A. White, I understand.

Q. Is the number of your association set together

and agree in regard to maintenance of prices that is

done independently of any relationship with the

association A. White.

(page ends follow)

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Q. Did your Association take any part in representations to the Government in regard to the Industrial Standards Act, the Ontario Government?

A. Yes, sir.

Q. What was the attitude of the Association in regard to that? A. One of opposition.

Q. I would like to know for the benefit of the Commission on what ground your opposition is founded?

A. Generally speaking--

THE COMMISSIONER: Was founded--it may have disappeared since.

MR. McRUER: Q. Are you still in favour of it or against it? Well, generally speaking, our opposition was based on the view we did not think the Industrial Standards Act would be in the best interests of the employers or the employees or the public.

. Well, that is a general statement, but that does not get us any further. I would rather assume you thought that or you would not have opposed it? A. Again I say, it is very general--I realize it is not what you want. We took this view, rightly or wrongly and we still think it is right-- that the attempt to stop the payment of unduly low wages, which was I think undoubtedly the object of the legislation, our view was that you could not do it that way, and that in the result you would probably have wages that on the one hand would fail to stop the payment of wages that were unduly low in any efficient way. On the

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the Government; the Government--I may have

indicated that.
Q. Now, are you still in town?

A. Well, generally speaking,
it is on a general view, but that

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think the Industrial Relations Act would be in the
best interests of the employees of the employees

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the result you would probably have wages that on the

one hand would fail to stop the payment of wages
that were mainly low in any efficient way. In the

other hand, in all probability it would result in wages that were already quite high being maintained at their present height or even raised still higher. To be more specific, there is one industry, the building industry where, of course, a number of those schedules under the Industrial Standards Act have been made law by Order-in-Council, and of course it is a matter---

Q. Excuse me, you are just using this as an illustration. The building industry does not come within your Association at all? A. No, this is just an illustration. The view is that what has happened there is that ---it amounts to an agreement between employers and employees to keep wages high.

Q. Well, that is one of the objectives, is not it? A. I beg your pardon.

Q. Do you suggest that the wages provided in the code of the building industry are higher than are reasonably necessary for the employees to maintain themselves, having regard to the seasonal character of the building industry? A. No, I have no opinion on that. All I am saying--

Q. That is a very important thing, when you are saying that the effect of it is to keep wages high? A. Without regards to the interests of the public and my thought is, really in the long run without regard to the welfare of the industry itself. I am referring to the view--and I think there is a good deal of evidence--that those schedules applied to the building industry have actually retarded building

What does it mean to say that the probability of an event is 1/2? In all probability it would result in

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what has happened there is that --- it amounts to an

Do you suggest that the wages provided in

...that the effect of it is to keep wages high

recovery and has therefore not been in the best interests of the building industry itself.

Q. That is, that builders might have built more and paid their employees less? A. Not necessarily, no.

Q. We have had some evidence here that since these tariffs came into effect in 1930, that in the Textile industry over a period of three years, 1931, 1932 and 1933 they got 3,500 more people to work for them for \$300,000 less money than they had paid before. Do you think that that is a healthy condition for the country? A. Well, I find it very difficult to express an opinion on that.

One would have to know whether those were money wages or real wages. I take it they are only money wages. Before expressing any opinion on that one would have to know how the cost of living moved during that period. I find it impossible to express any opinion on that.

Q. At any rate, to get back to the Industrial Standards Act you say you do not think that is the way? In this Commission we have had considerable evidence of some firms - I think they are members of your Association, many of them probably, but at any rate they would be eligible for membership - that have enjoyed the benefits of protection yet have been paying what looks like very low wages. How would you suggest that that could be corrected?

Macdonnell

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How would you suggest that that could be corrected?

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Macdonnell

We have had an attempt of applying the Industrial Standards Act in Ontario. We heard evidence about that last night. Now, how would you suggest that this difficulty could be got over, from the point of view of the manufacturer now. I have asked the representative of the Canadian Manufacturers' Association to come and you are here, and I want to get your suggestion if I can? A. Well, I am in a difficult position because I cannot speak on behalf of the Association but I can say this: that there are a good many of the members of the Association who hold the view that sometime kind of minimum wage applying to men would be a good thing. There are others who differ.

Q. Has the Association any policy on that matter at the present time? A. Not at the moment, no.

Q. Well, you see you have got to the position with the Industrial Standards Act that you are opposing it and are we left in this way that the Association opposes the Industrial Standards Act without any alternative suggestion? A. No, I do not think it is quite that. We undoubtedly oppose the Industrial Standards Act. We thought and still think it is not the right way to do it. We have not yet got to the point of being sure what the proper alternative is.

Q. May I ask you this: Has your Association any attitude toward organized labour and collective

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the proper thing is.
Q. May I ask you this: Has your Association
any attitude toward or toward labor and collective

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5 bargaining? A. I would say this: That question does not come within the scope of the Association's activities. Our members take their own line on that sort of thing. Some of our members deal with organized unions, international labour unions, purely Canadian unions, national Catholic unions.

10 Other members of the Association conduct their negotiations in respect to hours of wages and conditions of work through Work Councils. Then, again, particularly, of course, the smaller members do not need either of those means of negotiations, but the Association as such has nothing to do with the negotiations of wages and hours and conditions of work.

15 Q. At Well now, in respect to these protected industries at any rate, the Association has a very definite policy and program in regard to protection in tariff matters--that is the true situation?

20 A. It is true generally that the Association believes in protection, that is, reasonable protection, as it calls it, for the purpose of encouraging and maintaining Canadian industry.

25 Q. Encouraging industries to come here?

A. Yes, in some cases.

Q. Does your Association take any part in discouraging industries to come here?

30 A. Not to my knowledge.

Q. Well, just as to what you believe to be

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activities. Our members take their own line on that
sort of thing. Some of our members deal with
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international commerce, and some deal with
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in tariff matters--what is the true situation?
A. It is a true generally that the Association believes
in tariff matters, and it is, however, not
as it calls it, for the purpose of encouraging
and maintaining Canadian industry.
Q. Encouraging industries to come here?
A. Yes, in some cases.
Q. Does your Association take any part in
discouraging industries to come here?
A. Not
to my knowledge.
Q. Well, just as to what you have to do

reasonable protection, may I ask? Did the Association believe that the Tariff schedules of the Emergency Session of 1930 constituted the reasonable protection which they wish or would you have liked to have them a bit higher? A. I think that is a pretty difficult question for me to answer.

BY THE COMMISSIONER: There may have been a difference of opinion in the Association? A. Yes, I find it quite impossible to say.

MR. McRUER: Q. Yes, I think that would be rather unfair but, at any rate, they have the policy of protection and you have an organization to look after but up to date they have not got a policy in regard to labour? A. Well, labour is a very wide term. It embraces ---

Q. Not much wider than protection, is it?

A. Oh yes, I think so. I mean, there are dozens or hundreds of angles to labour questions and ---

Q. You do not mean to suggest that the angles of protection are limited to 100, do you? A. No, but the general --- I quite agree that you get into a tremendously complicated field when you are dealing with protection, but it is, after all, one subject, but with labour you have got all kinds of things from wages to health and old age pensions, etc..

A. Yes, but you apparently have no definite branch or anyone who is a specialist or anything of the sort in your association to look after that angle?

reasonable protection, may I ask? Did the Association
believe that the tariff schedules of the Emergency
Session of 1930 constituted the reasonable protection
which they would have had? I think so. I think so.
Additional question for me to answer.

Q. This Commission has been a
difference of opinion in the Association? A. Yes.
I find it quite impossible to say.
MR. WATSON: Yes, I think that would be correct.

Q. But, at any rate, they have the policy of
protection and you have an organization to look after
out of to see they have not got a policy in regard
to labor? A. Well, labor is a very wide

term. It embraces ---
A. Not much wider than protection, is it?
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with protection, but it is, after all, one subject,
but with labor you have got all kinds of things
from wages to health and old age pensions, etc..
A. Yes, but you apparently have no definite plan
or anyone who is a specialist on anything of the sort

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A. Well, I do not like to admit that as I am supposed to be more or less in charge myself.

5 . You say it has industrial relations but that seems to me to be very general. I am getting down to what I think is the milk in the coconut, and that is, what the manufacturer pays his labour out of what he gets by way of protection from the government.

10 A. Well, as I have said, the Association as such has nothing to do with wages.

Q. They disown that completely? A. Well, the idea has been that it is impossible to deal with that through a general association.

15 . What I am searching for - when protection is asked for it is asked for for the benefit of the working man. That is the thing that is put forward and now, if I may suggest it, you have no suggestion to give me from your association, at any rate, how we can see that the working man would get it? 20 A. Well, as I have said, there are a great many---

Q. That is, providing he is not getting it? I say if he is not getting it, I better put it, that 25 it be assured to the working man? A. Well, as I have said, a great many members of the Association are thinking a good deal about this problem and, as I say, many of them feel that a 30 minimum wage applying to men is the answer. Others, again, are not convinced. I may say in regard

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minimum wage applying to men is the answer. Other

again, are not convinced. I may say in regard

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to that that the real reason why we have had no minimum wage apply to men all these years - I take it this is a matter of common knowledge - is that the Labour Unions themselves have opposed it. Their fear being that minimum would become a maximum.

Q. That a minimum wage law will not be the solution for that very reason, that the minimum would become the maximum and not only that, that the minimum would probably put the sort of unemployables out of employment altogether? A. Yes.

Q. There are sides to that, that had to be considered - I quite realise that? A. Yes.

Q. I think I have covered pretty much what I wanted. I wanted to just know what your organization was, how it works, etc., the scope of it. If there is anything you would like to say to the Commission I would be glad if you would? A. I would just like to say this, my lord: That a good many people, members of the public, had the idea that the Association is just an association of sort of the big interests, so-called. It may be of interest to point out that 31% of the members of the Association employ less than ten employees; 50% employ less than 20 employees; 73% employ less than 60 employees, and 85% employ less than 100 employees, and only 3% employ 500 or over. My point is, of course, that this Association is not serving simply the

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... Yes.
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wanted. I wanted to just know what your organization
was, how it works, etc., the scope of it. If there
is anything you would like to say to the Commission
I would be glad if you would?
... I would
just like to say this, my friend: that a good many
people, members of the public, had the idea that
the Association is just an association of sort of
the big interests, associated. It may be of interest
to point out that 51% of the members of the Association
employ less than ten employees; 33% employ less than
40 employees; 7% employ less than 60 employees,
and 3% employ less than 100 employees, and only
3% employ 500 or over. My point is, of course,
that this Association is not serving simply the

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big companies, it is serving a whole lot of small people who obviously could not provide each for himself the services that are provided by clubbing together in this way.

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Q. Yes, and I think as a matter of fact your by-laws show that you provide transportation information and freight rates and all sorts of things like that and you provide information as to opportunities of selling in foreign countries and the tariffs of the foreign countries and things of that sort? A. Yes.

10

Here is a Canadian Trade Index, containing names and particulars of the products of 9,000 different producers in this country. This is got out annually and 10,000 copies are published and 5,000 copies are purchased by the Canadian Government each year for distribution all over the world to try and build up Canadian export trade.

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Q. And one of the functions of your Association is to cooperate with the Department of Trade and Commerce in giving information as to opportunities for doing export trade and now any demands for export trade could be filled in Canada, etc.? A. Yes.

25

MR. KELLOCK: No questions.

MR. McRUER: I have Mr. Welch here.

ALEXANDER WELCH, Recalled,

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EXAMINED BY MR. KELLOCK:

Q. You were sworn and gave evidence yesterday?

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big companies, it is serving a whole lot of small people who obviously could not provide each for himself the services that are provided by cladding together in this way.

Yes, and I think as a matter of fact your bylaws show that you provide transportation information and freight rates and all sorts of things

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10,000 copies are published and 2,000 copies are purchased by the Canadian Government each year for distribution all over the world to try and build up Canadian export trade.

And one of the functions of your association

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is to cooperate with the Department of Trade and Commerce in giving information as to opportunities for doing

to filled in Canada, etc.?

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Mr. Macdonnell: no questions.

Mr. Macdonnell: I have Mr. Macdonnell here.

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A. Yes.

Q. How long have you been organizing for the things you mention? A. Officially since the end of July, 1936.

5 Q. And unofficially? A. For about a year.

Q. And you are a paid officer, I take it?

A. No, I receive a nominal salary.

Q. I say, you are a paid officer? A.

10 Yes.

Q. Is that true throughout the periods you mention? A. Since the end of July.

BY THE COMMISSIONER:

Q. What do you mean by "nominal salary"? A. They pay my transportation expenses, but that is all.

15 Q. That is not a salary.

MR. KELLOCK: Q. Have you had a job since 18th July last? A. You mean, employed in a factory?

20 Q. Any kind of a job other than your union job?

A. No.

Q. And have you not been paid anything by your Union except your traveling expenses? A. Well, since the end of July I have received money from the International office for work that I have done.

25 Q. Then in addition to getting your expenses you are paid a salary? A. Yes, sir.

Q. And have been since July? A. Since the end of July.

30 BY THE COMMISSIONER:

Q. So that you are

A. Yes.

Q. How long have you been organizing for the

things you mentioned? Officially

Q. And unofficially? For about a

Q. And you are a paid officer, I take it?

A. No, I receive a nominal salary.

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Q. That is not a salary.

MR. KENNEDY: Q. Have you had a job since

Q. Any kind of a job other than your union job?

Q. And have you not been paid anything by your

Union except your traveling expenses? Well,

since the end of July I have received money from

the International Office for work that I have done.

Q. Then in addition to getting your expenses

you are paid a salary? A. Yes, sir.

Q. And have been since July? A. Since the end

of July.

getting a salary? A. Not salary, I am paid a commission.

MR. KELLOCK: You are getting remuneration over and above your expenses? A. Yes, sir.

5 Q. How is your commission calculated? A. By the number of new members brought into the International offices.

Q. You say that was your position since July of this year and before that you were unpaid organizer of the union for about a year? A. Yes, sir.

10 Q. How many employees are there in Joseph Simpson mill? A. As far as we have been able to estimate about 550.

15 Q. And you had up to the 18th July when you left there how many members in your Union? A. We had 45 registered with the International office and about another 25 who had not paid their initiation fees.

20 Q. You do not count people as members who have not paid their initiation fees? A. Not officially, they have not their membership books.

Q. So that you had 45 members out of 550 at that time? A. Yes, sir.

25 Q. And I suppose when you are canvassing to get people to join your Union you found some of them did not want to join because they did not want to pay the dues involved? A. I found many would like to join and their anxious to join but they cannot pay because their wages are such that they cannot afford it.

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getting a salary? A. Not salary, I am paid a

commission.

MR. KELLICK: . . . You are getting remuneration

over and above your expenses? A. Yes, sir.

Q. How is your commission calculated?

A. By the number of new members brought into the

International office.

Q. You say that was your position since July of

this year and before that you were night clerk

of the union for about a year? A. Yes, sir.

Q. How many employees are there in Joseph Simpson

mill? A. As far as we have been able to

estimate about 600.

Q. And you had up to the 1st July when you

left there how many members in your union? A.

We had 45 registered with the International office

and about another 35 who had not paid their initiation

fee.

Q. You do not count people as members who have

not paid their initiation fee? A. Not

officially, they have not their membership books.

Q. So that you had 45 members out of 80 at

that time? A. Yes, sir.

Q. And I suppose when you are canvassing to

get people to join your Union you found some of them

did not want to join because they did not want to pay

the dues involved? A. I found many would

like to join and their anxious to join but they

cannot pay because their wages are such that they

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Q. The way I put it to you, you found a lot who wont join--? A. Who cannot join?

Q. Who cannot join and who wont? A. I wont say if there--

5 BY THE COMMISSIONER: Q. How much is the fee? A. The initiation fee is \$2. and that pays the first month per capita tax and thereafter a dollar a month.

10 MR. KELLOCK: Q. Do you know the wages paid in the mill? A. I have a rough idea.

Q. Do you know what would be the maximum wage paid in the mill? A. The maximum wage paid?

Q. Yes? A. To ordinary male employees?

15 Q. To any employees working in the mill? A. Well, the maximum is \$18. a week as far as I understand. I have not been able to see the company's books.

20 Q. \$72. a month and you suggest that out of that no employee would have a dollar a month to join your union and that would be the only reason to keep them out? A. You asked me what the maximum wage was. You did not ask me how many people were getting that.

25 THE COMMISSIONER: He said they had 45 members.

MR. KELLOCK: Q. He said his Union had 45 members and I am asking the witness if he suggests to Your Lordship that an employee receiving a wage of \$72. a month does not join the Union for the sole cause that he cannot spare a dollar a month--

30 is that what you are telling His Lordship? A.

No.

Q. The way I put it to you, you found a lot
who want join--? A. Who cannot join?
Q. Who cannot join and who want?
I want say it there--

BY THE COMMISSIONER: Q. How much is the
fee? A. The initiation fee is \$5. and that pays
the first month pay capital tax and thereafter a
dollar a month.

Q. Mr. KILBON: Do you know the wages paid
in the mill? A. I have a rough idea.

Q. Do you know what would be the maximum wage
paid in the mill? A. The maximum wage paid?

Q. To any employees working in the mill? A.

Well, the maximum is \$10. a week as far as I under-
stand. I have not been able to see the company's

Q. Yes. a month and you suggest that out of that
no employee would have a dollar a month to join

your union and that would be the only reason to keep
them out? A. You asked me what the maximum

wage was. You did not ask me how many people
were getting that.

THE COMMISSIONER: He said they had 40 members.
Mr. KILBON: Yes. He said his Union had 40

members and I am asking the witness if he suggests
to your knowledge that an employee receiving a wage

of \$75. a month does not join the Union for the
sole cause that he cannot spare a dollar a month--

is that what you are telling his Lordship? A.

Q. What are you telling him? A. I am telling him that the people who are paid the average wage in the mill cannot afford to join the Union because of the initiation fee.

5 Q. And the initiation fee is \$2? A. Yes.

Q. Well then, the people who are getting more than the average, the fee from the financial standpoint is not the objection?

10 THE COMMISSIONER: You mean the average wage or salary?

MR. KELLOCK: Yes.

THE WITNESS: We have not been able to cover everybody in the mill.

15 Q. Now, you also find, I suppose, in asking people to join your Union that they do not think they need the Union, that they are perfectly satisfied with conditions. You run across that type of person? A. I believe we have found one person out of 250 people visited.

20 Q. Is this your first experience as a union organizer? A. Yes, sir.

Q. So that you have met that type of individual so far? A. It was an oddity.

25 Q. You have told His Lordship that your local Union of the International is at the present time in a clash with the American Federation? A. I would not call it a clash.

30 Q. Would you call it a strong difference of opinion as to matter of policy? A. So far as the CIO is concerned there is no difference of opinion but according to Mr. Green, President of

Q. That are you telling him? A. I am telling him that the people who are paid the average wage in the mill cannot afford to join the Union because of the cost of living.

Q. And the invitation fee is \$25? A. Yes.

Q. Well then, the people who are getting more than the average, the two from the time when I standpoint is not the objection?

Q. Yes, the average wage is \$10.00.

Q. Yes.

Q. The Union? A. We have not been able to cover everybody in the mill.

Q. Now, you also find, I suppose, in meeting people to join your Union that they do not think they need the Union, that they are perfectly satisfied with conditions. You run across that type of person? A. I believe we have found one person out of 250 people visited.

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the AFL, there was a difference. Fundamentally there was not.

Q. The International Union to which your Union belongs has been suspended? A. Yes.

Q. And that suspension has been due to a strong difference of opinion? A. Yes.

Q. And the group of unions, International unions, that have been suspended as well as your Union, they are the group led by Mr. Lewis, are not they? A. Yes.

Q. And have you found people who might not want to join a Union that had been suspended by the American Federation of Labour? A. No, not yet we have not come across any.

Q. That might be a very good objection to joining your Union, would not it? A. It is the other way around; there seems to be some slight sentiment against joining the American Federation of Labour as such.

Q. I am saying to you--some people might prefer to join a Union that was in good standing with the American Federation of Labour, while they might not be willing to join a Union that was not in good standing? A. We have not come across any so far.

Q. You told His Lordship you had complaints about your work during the eight years you were there. You went so far as to say there had been a row about it once in awhile--do you remember that? A. Yes.

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the A. F. of L., there was a difference. Fundamentally

Q. The International Union to which you

Union belongs has been suspended? A. Yes.

Q. And that suspension has been due to a wrong

difference of opinion? A. Yes.

Q. And the group of unions, International unions,

that have been suspended as well as your Union,

they are the group led by W. Lewis, are not they?

Q. And have you found people who might not

want to join a Union that had been denounced by the

American Federation of Labour? A. No, not

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joining your Union, would not it? A. It is

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as far.

Q. You told His Lordship you had complaints

about your work during the eight years you were

there. You went so far as to say there had been a

row about it once in awhile--do you remember that?

A. Yes.

Q. That is a fact? A. Naturally, I am not a paragon of excellence.

5 Q. Now, the dispute that arose in the mill that you told his lordship about, what department is that in? A. I did not get your question.

10 Q. The dispute arose as to whether the girls would do seven or eight rolls - what department is that in? A. That is in the Underwear Cutting Department.

Q. How many employees are there in that Department? A. About 28.

15 Q. And that is the Department in which you set out the work, is it? A. Yes.

Q. And are there any other straw bosses, as you call them, in that department except yourself?

A. No.

20 Q. You were just the one there? A. Yes, sir.

Q. But your job is simply to put the work before the girls? A. Yes, my job ---

Q. And keep records of what you hand out?

A. Yes, sir.

25 Q. The girls themselves have a forelady in charge of that Department? A. Yes, I worked under the forelady.

Q. She is the head of the Department? A. Yes, sir.

30 Q. And as you told his lordship the girls objected to doing eight rolls instead of seven because they thought it would mean that two cutters would be

Witness
Exhibit

Q. That is a fact?

A. Yes, sir.

Q. Now, the dispute that arose in the mill that you told his lordship about, what document is that?

A. I did not get your question.

Q. The dispute arose as to whether the mill

would do seven or eight rolls - what document is

that?

A. That is in the Greenway Billings

document.

Q. How many employees are there in that mill?

A. About 100.

Q. And that is the document in which you saw the

one word, is it?

A. Yes, sir.

Q. But your job is simply to put the word before

all them, in that document, is it?

A. No.

Q. You are just the one who?

A. Yes, sir.

Q. But your job is simply to put the word before

all them, in that document, is it?

A. Yes, sir.

Q. And as you told his lordship the facts before

to being eight rolls instead of seven, would it

thought it would mean that two ounces would be

dispensed with? .A. Yes, and also that they felt it would be impossible to do eight rolls.

Q. Now, why do you add that? You did not say that yesterday.

THE COMMISSIONER: Oh, yes, he did.

MR. KELLOCK: Q. You say they felt it was impossible to do eight rolls instead of seven?

A. Because they were pressed to the utmost to do seven rolls.

Q. Did they try the eight, do you know? A. No, nobody tried it. They did not have time to try it.

Q. Then you were the man that put your name to the head of the petition? A. Yes.

Q. You were not asked to do eight rolls instead of seven? A. No.

THE COMMISSIONER: Was not that the petition for the girls to go home on account of the heat?

MR. KELLOCK: Yes, my lord.

Q. You did not faint or anything of that kind?

A. No.

THE COMMISSIONER: Q. Well, was not the petition just in favour of the women going home?

A. No, everybody going home, men too.

MR. KELLOCK: Q. And was the petition circulated in any other department than that department?

A. There was another petition circulated in the sweater department.

Q. I am not talking about any other petition -

dispensed with? A. Yes, and also that they

it it would be impossible to do eight rolls.

.. Now, why do you say that? You did not say

..

THE COMMISSIONER: Oh, yes, he did.

MR. KILLICK: .. You say they felt it was

impossible to do eight rolls instead of seven?

A. Because they were pressed to the utmost to do seven

rolls.

.. Did they try the eight, do you know? A. No,

nobody tried it. They did not have time to try it.

A. Then you were the man that put your hands

to the head of the petitioners? A. Yes.

.. You were not asked to do eight rolls instead

of seven? A. No.

THE COMMISSIONER: Was not that the petition

for the girls to go home on account of the heat?

MR. KILLICK: Yes, my lord.

.. You did not faint or anything of that kind?

A. No.

THE COMMISSIONER: .. Well, was not the petition

just in favour of the women going home?

.. No, everybody going home, men too.

MR. KILLICK: .. And was the petition circulated

in any other department than that department?

A. There was another petition circulated in the

..

.. I am not taking about any other petition -

I mean that petition? A. No.

Q. How many men are there in the Department?

A. Five including myself.

Q. Any of the other men sign besides yourself?

A. Yes.

Q. How many? A. There were two did not sign.

Q. And was not the forelady the person to take up any request to go home? You say you were working under the forelady? A. Yes, sir.

Q. Was not she the natural person to apply to for permission to go home? A. Yes, we did apply to her.

Q. And is not she the natural person to present your request to the office? A. Yes, and these are the channels we use. First of all by verbal request and later by the petition.

Q. And you say you did apply to the forelady?

A. Yes.

Q. And she communicated with the office, did she?

A. She came back and she told us she had seen Mr. Hanks and he said it could not be done. Whether she saw him or not we do not know.

Q. And then when you got your petition signed what did you do with it? A. We gave it to the

forelady and asked her if she would take it to Mr.

Hanks?

Q. And so far as you know she gave it to Mr. Hanks?

I mean that position?

How many men are there in the Department?

Any of the other men sign besides yourself?

Yes.

How many?

A. There were two did not sign.

And was not the Forelady the person to take

up any request to go home? You say you were working

under the Forelady? A. Yes, sir.

Has not the natural person to apply to

for permission to go home? A. Yes, we did apply

to her.

And is not the natural person to present

your request to the officer? A. Yes, and where

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Hanks and he said it could not be done. Whether

she saw him or not we do not know.

And then when you got your petition signed

what did you do with it? A. We gave it to the

Forelady and asked her if she would take it to Mr.

And so far as you know she gave it to Mr. Hanks?

A. She did give it to Mr. Hanks.

Q. If you did not have any difficulty with the heat why did you want to go home? A. I was having difficulty, I did not faint but I was having difficulty.

Q. What was the date of the petition? A. I do not recall exactly, but I know that it was 86 before I was officially paid off.

Q. That is July 10th, then? A. Yes.

BY THE COMMISSIONER: Q. You said it was a Friday?

A. Yes.

MR. McRUER: Q. And you were paid off what day?

A. On the 18th, I believe it was.

MR. KELLOCK: Q. And I suppose it would be fair to say, Mr. Welch, that in this dispute that had arisen you saw the opportunity to get some members into your union by siding in with the girls on this questions?

A. I did side in with the girls for a matter of two years before that.

Q. I was asking you whether that was one of the things you had in mind by taking a side in the dispute? A. No, I treated it as a natural grievance, natural protest.

Q. What you say is it had nothing to do with the fact you were trying to organize a union in the mill?

A. It had something to do with it?

A. I say it is a fact that you were organizing or organizer of the union that led you to see and

A. She did give it to Mr. Hanna.

Q. If you did not have any difficulty with the

best why did you want to go home?

A. I was

having difficulty, I did not want but I was having

difficulty.

Q. What was the date of the petition?

A. I

do not recall exactly, but I know that it was 55

before I was officially paid off.

Q. That is July 19th, then?

A. Yes.

BY THE COURT: You said it was a Friday?

A. Yes.

MR. HANNA: And you were paid off what day?

A. On the 19th, I believe it was.

MR. HANNA: And I suppose it would be fair

to say, Mr. Nelson, that in this dispute that had arisen

you saw the opportunity to get some members into your

union by siding in with the girls on this question?

A. I did side in with the girls for a matter of two

years.

Q. I was asking you whether that was one of the

things you had in mind by taking a side in the dis-

pute? A. No, I treated it as a natural grievance

matter.

Q. What you say is it had nothing to do with the

fact you were trying to organize a union in the mill?

A. It had something to do with it?

Q. I say it is a fact that you were organizing

or organizer of the union that led you to see and

opportunity perhaps to get some more members by taking
sides in the dispute? A. What did you expect
me to do?

Q. I would expect you to do quite that? A.

As a trade unionist I could not do anything else.

Q. I suppose any other dispute would have
given you just as good an opportunity as that
particular dispute? A.

A dispute is some-
thing that does not crop up suddenly, it develops.

Q. The hot weather come suddenly--

THE COMMISSIONER: No, the dispute only
occurred as a result of the petition.

MR. KELLOCK: There had been previous verbal
requests.

THE COMMISSIONER: The forelady had been asked
and she said No, and then thorough here they sent a
petition to somebody else. That is not a dispute
yet. Supposing the Superintendent granted their
request, you would not say there was a dispute.

MR. KELLOCK: No, but when it was refused
verbally previously they might take it there was a
dispute.

Q. You did seize on that opportunity as an
opportunity to get some more members for your Union
and I suppose any other dispute would have served you
equally as well? A. I cannot agree with that
suggestion at all because during the time of this
trouble unionism was never mentioned.

Q. I know it was not. Just this other question--
you said that after you left the employ of the company

opportunity perhaps to get some more members by taking
sides in the dispute? A. What did you expect
me to do?
I would expect you to be quite there? A.
As a trade unionist I could not do anything else.
I suppose any other dispute would have
given you just as good an opportunity as that
particular dispute? A. A dispute is some-
thing that does not stop up suddenly, it develops.
— The last dispute was something—
the last dispute was something only
accounted as a result of the position.
Mr. BRYDIE: There had been previous verbal
disputes.
The Commissioner: The Forebody had been asked
and she said no, and then through here they sent a
petition to somebody else. That is not a dispute
yet. Supposing the Superintendent granted their
request, you would not say there was a dispute.
Mr. BRYDIE: No, but what is the point
verbally previously they might take it there was a
dispute.
A. You did raise on that opportunity as an
opportunity to get some more members for your Union
and I suppose any other dispute would have served you
equally as well? A. I cannot agree with that
suggestion at all because during the time of this
trouble unionism was never mentioned.
I know it was not. That this other dispute
you said that after you left the employ of the owner

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the language you used was " We got loud speaking
equipment to address the workers of the mill--

who were "we"? A. The Organi zation Committee
of the Local Union.

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Q. It was the Union? A. Yes, sir.

---The Commission adjourned at 12.15 p.m. to resume
at 2 p.m.

(page 8963 follows)

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the language you used was "he got lost speaking"

equipment to address the workers of the mill--

who were "se"? A. The original station committee

of the local union.

It was the Union? A. Yes, sir.

---"The Commission adjourned at 12.15 p.m. to resume

at 2 p.m.

(LARGE TYPE EDITION)

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AFTERNOON SESSION

-- The Commission resumed at 2 P.M.

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WILLIAM WALLACE ROBINSON, Sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Robinson, you are engaged in the business, -
or how do you style yourself, - you are a converter?

10

A. Yes, sir.

Q. You are one of the company of W. Robinson & Son,
Converters, Limited?

A. Yes, sir.

BY THE COMMISSIONER: Q. W. Robinson & Son?

A. Converters Limited.

15

BY MR. McRUER: Q. And you carry on your business
with a plant in the Village of Woodbridge?

A. Yes, sir.

Q. Woodbridge is about fifteen miles from Toronto?

20

A. About nineteen.

Q. About nineteen miles from Toronto, and the
head office of your company is where?

A. 55

Wellington Street West, Toronto.

25

Q. And how long has W. Robinson & Son, converters,
been carrying on business?

A. We have

been manufacturing 10 years.

Q. And were you in any other line of business?

A. We were jobbers before that.

30

Q. You were jobbers before that?

A. Yes, sir.

Q. Jobbing what class of goods?

A. Cotton goods,

1122

INTERVIEW

-- The Commission resumed at 2 P.M.

STATEMENT OF MR. W. H. HOBBS

EXAMINED BY MR. HOBBS:

Q. Mr. Hobbs, you are engaged in the business of how do you style yourself, - you are a converter?

A. Yes, sir.

Q. You are one of the owners of W. Hobbs & Son?

Converters, Limited?

BY THE COURT: A. W. Hobbs & Son?

Converters Limited.

BY MR. HOBBS: Q. And you carry on your business

with a plant in the Village of Woodbridge?

A. Yes, sir.

Q. Woodbridge is about fifteen miles from Toronto?

A. About nineteen.

Q. About nineteen miles from Toronto, and the

head office of your company is where?

Wellington Street East, Toronto.

Q. And how long has W. Hobbs & Son, converters,

been carrying on business?

been manufacturing 10 years.

Q. And were you in any other line of business?

A. We were jobbers before that.

Q. You were jobbers before that?

Q. Jobbing what class of goods?

drygoods.

Q. Yes, and how many employees have you got?

THE COMMISSIONER: What are they manufacturing now?

5 BY MR. McRUER: Q. What are you manufacturing now?

A. We bleach, dye, nap, make flannelettes, - cotton piece goods entirely now.

BY THE COMMISSIONER: Q. All cotton? A. All cotton.

10 BY MR. McRUER: Q. You do not do any weaving?

A. No, sir.

Q. And how many employees have you at Woodbridge now? A. I would say roughly 80.

15 Q. Pardon? A. I would think from 80 to 85.

Q. And what is the annual volume of your business?

A. Roughly speaking, 10,000,000 yards a year.

Q. 10,000,000 yards a year? A. Yes.

Q. Now, you started in this business about 10 years ago? A. Yes, sir.

20 Q. And what is your raw material? A. Unbleached cotton, - woven unbleached cotton.

Q. Woven unbleached cotton? A. Yes.

25 Q. And, when you started in business, where did you get the bulk of your raw material from?

A. I would think from Canada, sir.

Q. Bought in Canada? A. Bought in Canada, yes, sir.

30 Q. Did you import any? A. Not at the first.

Q. Not at the first? A. No.

Q. Did you later import your raw materials?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

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Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

Q. Yes, and how many employees have you now?

A. Yes, and how many employees have you now?

A. Yes, sir, part of it.

Q. Part of it? A. Yes.

Q. When was that? A. About four years ago, I would say, we started to import.

Q. You started to import about four years ago?

A. I would think about four or five years ago.

Q. Was that after the customs duties of 1930 were put on? A. Yes, it would be.

Q. Why did you start to import goods at that time?

A. Because we could buy more advantageously in England than we could here.

Q. Why? A. Well, the price was cheaper.

Q. The price was lower in England than it was here?

A. That is rather a difficult question to answer, Mr. McRuer, because, actually speaking, I do not think quality for quality that the price of English goods landed here are cheaper than Canadian goods. We possibly imported an inferior quality of merchandise that looked maybe the same as what the Canadian firms were turning out, and that slightly inferior material would land at about the same price as the Canadian goods.

Q. What duties did you have to pay on the goods that you imported? A. Well, it figured, let me see, I think it was roughly 15½ %, or 1.80 cents per pound. I am not absolutely sure of those figures, because I haven't any detail with me to verify them.

Q. Well now, before you commenced to import from

A. Yes, sir, part of it.

A. Yes. . . part of it?

A. When was that? A. About four years ago, I

would say, we started to import.

A. You started to import about four years ago?

A. I would think about four or five years ago.

A. Was that after the customs duties of 1883 were

put on? A. Yes, it would be.

A. Why did you start to import goods at that time?

A. Because we could buy more advantageously in England

than we could here.

A. What was the price of the goods?

A. The price was lower in England than it was here?

A. That is rather a difficult question to answer,

Mr. McKinnon, because, actually speaking, I do not think

quality for quality that the price of English goods

is lower than Canadian goods. We

possibly imported an inferior quality of merchandise

that looked maybe the same as what the Canadian firms

were turning out, and that slightly inferior material

would land at about the same price as the Canadian

goods.

A. What duties did you have to pay on the goods

that you imported? A. Well, it figured, let me

see, I think it was roughly 10% or 1.00 cents per

pound. I am not absolutely sure of these figures,

because I haven't any detail with me to verify them.

A. Well now, before you commenced to import from

England were you able to get your supplies in Canada to your satisfaction? A. No, sir; that is the reason we started to import.

5 Q. Then will you please tell the Commissioner what happened, Mr. Robinson, in regard to that matter?

It is a matter you took up with the Government, and you had some correspondence with the Government about it? A. Well, it was this way, sir: After we got to a point when we were doing a fairly substantial yardage per year, - prior to us doing a substantial yardage we could buy goods at a reasonable price, and when it got to a point where we were using a substantial yardage, we found that the Canadian firms would not quote at a price whereby we could put on our dyeing and finishing operations and then re-
15 sell.

20 BY THE COMMISSIONER: Q. You mean to say, they put the price up on you? A. Yes.

BY MR. McRuer: Q. And certain of these firms were engaged in the same operation as you, in addition to their weaving operations? A. Yes, sir.

25 Q. That is, they did convert after the grey cloth had been woven? A. Yes, they did.

Q. Well, what was your experience in regard to dealing with those firms? A. We found we could not buy it at a price that would enable us to operate.

30 Q. And how did the price that they quoted to you

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8955

...were you able to get your supplies in Canada
...your satisfaction?
...we started to import.

...happened, Mr. Robinson, in regard to that matter?
It is a matter you took up with the Government, and
you had some correspondence with the Government about
it? Well, it was this way, sir: After we

...to a point when we were doing a fairly substantial
business per year, - prior to us doing a substantial
business we could buy goods at a reasonable price,
and then it got to a point where we were making a
substantial business, we found that the Canadian
would not come at a price whereby we could pay
on our buying and financing operations and then re-

BY THE COMMISSIONER: You mean to say, they
had the price up on you?

...were engaged in the same operation as you, in
addition to their leaving operations? Yes, sir.
That is, they did convert after the way
which had been worked? Yes, they did.

Well, what was your experience in regard
to dealing with these firms?
...it was not very far from a price which would enable us
to operate.

...had you said the price was too low for you

for the grey cloth compare to the price that they hoped, or that they sold the converted cloth at ?
A. Many times almost as much for the grey cloth as they would want for the converted.

5

Q. And you are in the position there of being unable to buy in the local market, and you were driven to buying abroad? A. That is right.

10

Q. And buying, what you say, was probably an inferior article, so that you could get it laid down here at a price that would enable you to compete with their converted article? A. That is right, sir.

15

Q. And you made a protest to the Government about it? A. Yes.

Q. I thought, as a matter of fact, I had your letter in my hand, but I find this is not one of them.

THE COMMISSIONER: If there is a file of correspondence available, we had better have it.

20

MR. McRUER: I will have it looked up, my lord. I had a file here, in fact, I thought this was the file. I thought this was the file, because that is why I got in touch with Mr. Robinson. I had read the file, and wrote to him from here.

25

Q. Then that would be about what year - was it 1931? A. About 1931, sir; I think so.

Q. Yes, that is my recollection. Then following that, Mr. Robinson, you commenced importing from England? A. Yes, sir.

30

Q. Were you able to compete with the local firms

for the grey cloth compare to the price that they
hoped, or that they sold the converted cloth at?
A. Many times almost as much for the grey cloth as
they would want for the converted.

... and you are in the position of being
unable to pay in the local market, and you were
driven to paying abroad?

... And buying, what you say, was precisely an

here at a price that would enable you to compete

with their converted articles? ... that is right, sir.
... And you made a protest to the Government about

... Yes.

... I thought, as a matter of fact, I had your letter

in my hand, but I find this is not one of them.

THE COMMISSIONER: If there is a file of

correspondence available, we had better have it.

MR. BRIDIE: I will have it looked up, my lord.

I had a file here, in fact, I thought this was the

file. I thought this was the file, because that

is why I got in touch with Mr. Robinson. I had

read the file, and wrote to him from here.

... Then that would be about what year - was it

... About 1901, sir; I think so.

... Yes, that is my recollection. Then follow

that, Mr. Robinson, you commenced importing from

... Yes, sir.

... Were you able to compete with the local firms

with your converted goods after you had paid the customs duties? A. Yes, sir.

Q. But you say your quality was not quite as good?

5 A. Our quality was not quite as good. I probably have expressed myself not very clear. We had to put more work on the inferior material to bring it up to compete with the domestic cloths than we would have if we had bought the domestic cloths in the first place. The domestic cloths are better than the average cloths made in England..

10 Q. Well, did you try from one mill to another to buy, and get the same answer from different mills?

15 A. Well, there was one mill we used to buy largely from, and then we stopped buying from them and went to another mill, and the other mill sold us, and then they thought, I think, that too much of their production was going to us and they raised their prices, and that is really what forced us to go to England.

20 Q. I see. Well then, after your complaint to the Government about it, was any action taken to assist you? A. Well, right to-day, sir, the Canadian

25 spinners and weaverd have apparently quite a friendly attitude towards us, to what they had at one time.

Q. When did that friendly attitude begin to develop?

30 A. Well, I would say, roughly, the last two years. We have been able, the last two years, to buy from Canadian firms again.

with your converted goods after you had paid the

customers' duties?

A. Yes, sir.

Q. But you say your family was not quite as good

as our quality was not quite as good. I presume

have expressed myself not very clear. We had to

put more work on the inferior material to bring it

up to compare with the domestic goods then we would

have if we had bought the domestic goods in the time

passed. The domestic goods are better than the

foreign goods.

Q. Well, did you try from one mill to another

to buy, and get the same answer from different mills?

A. Well, there was one mill we used to buy largely

from, and then we stopped buying from them and went

to another mill, and the other mill sold us, and then

they thought, I think, that too much of their

production was going to us and they raised their

prices, and that is really what forced us to go to

other mills.

Q. I see. All that, when you confined to

the Government about it, as objection taken to being

your?

A. Well, right today, sir, the Canadian

spinners and weavers have apparently quite a friendly

attitude towards us, to what they had at one time.

Q. When did that friendly attitude begin to develop?

A. Well, I would say, roughly, the last two years.

Q. Have been sold, the last two years, to buy from

Q. Yes. Now--

BY THE COMMISSIONER: Q. That is, their prices have come down? A. Well, the margin of profit they are willing to make is less, so we can buy from them.

5 Q. Well, that comes to the same thing?

A. Yes, sir.

Q. And are you buying exclusively from Canadian firms? A. No, sir. We buy in England, and we also buy from Canadian firms.

10 Q. In what proportion? A. Right to-day, I would say we are buying 75% in Canada. What we generally do is we get a price from Canadian manufacturers, and then we find out what we can buy for in England, and if we find that the Canadian mill prices are high we give them an opportunity to meet competition, and if they cannot meet it we buy outside the country. But we give them every chance to meet the competition.

15 BY MR. McRUER: Q. Do you find that the Canadian Mills are keeping their prices to a level of what the Manchester price is plus the duty and the carriage charges? A. I would think so. I would think that, quality for quality, the Canadian firms' prices are cheaper than the Manchester prices plus the duty to-day.

25 Q. I see. Now, I see in a letter which you sent to the Tariff Board, dated March 17th, 1936, you give your purchases from Canadian firms in 1934 and 1935, and your purchases from Manchester.

1955

Q. Yes.

BY THE COURT: Now, that is, their prices

have come down? A. Well, the margin of profit is
and willing to make it less, so we can buy from them.

Q. Well, that comes to the same thing?

A. Yes, sir.

Q. And you say that is a fairly close comparison

times? A. No, sir. No, in England,

and we also pay from other times.

Q. In what proportion? A. Right so-so, I

would say we are buying 75% in Canada. That we

generally do is we get a price from Canadian manu-

facturers, and then we find out what we can pay for

in England, and if we find that the Canadian mill

prices are higher we give them an opportunity to meet

competition, and if they cannot meet it we pay outside

the country. But we give them every chance to

meet the competition.

BY THE COURT: Do you find that the Canadian

millers are keeping their prices to a level of what

the Manchester price is plus the duty and the carti-

charges? A. I would think so. I would think

that, quality for quality, the Canadian mills

prices are cheaper than the Manchester prices plus

the duty.

Q. I see. Now, I was in a letter when you sent

me the letter, and you said that you

had given your purchases from that time in 1955

and 1956, and your purchases from Manchester.

In 1934, your total purchases from Canadian firms, were 3,802,000 yards, in round figures.

In 1934, your total purchases from Manchester were 3,011,000, in round figures.

5 In 1935, your purchases from Canadian firms were 3,642,000, in round figures, and from Manchester, 6,242,000 yards?

A. Yes, sir, that is right.

10 Q. Now then, have your purchases from Manchester come down since 1935? A. Yes, very materially, sir.

Q. Why? A. Because we can buy the goods here in Canada whereby we can manufacture and make a profit; we have been able to do that recently and we have, therefore been buying our goods here.

15 Q. Yes, but the reason you are buying more here, since 1935, is because the companies here have brought their price down? A. Yes, sir, they have brought their price down.

20 Q. Yes, and you say the attitude towards you has been more friendly? A. Very much more friendly.

Q. Now, have you any protection on your articles as between the grey cloth and your finished products? A. From England, we have two and a half per cent.

25 Q. Two and a half per cent? A. Two and a half per cent protection.

Q. Two and a half per cent protection? A. Yes.

30 THE COMMISSIONER: On what?

THE WITNESS: The spread between the grey and the coloured goods. I may be wrong in that. I really

In 1984, your total purchases from Canadian firms

were \$,802,000 yards, in round figures.

In 1984, your total purchases from Canadian firms

\$,011,000, in round figures.

In 1985, your purchases from Canadian firms

were \$,842,000, in round figures, and from elsewhere

\$,842,000 yards?

A. Yes, sir, that is right.

Now then, have your purchases from Manchester

gone down since 1983? A. Yes, very materially, sir.

Why? A. Because we can buy the goods

here in Canada whereas we can manufacture and make

a profit; we have been able to do that recently

and we have, therefore, been able to buy more goods.

Yes, but the fact that we are buying more goods

since 1983, is because the companies here have brought

their price down? A. Yes, sir, they have brought

their price down.

Yes, and you say the attitude towards you

has been more friendly? A. Very much more friendly.

Now, have you any protection on your articles

as between the grey cloth and your finished products?

A. From England, we have two and a half per cent.

Two and a half per cent? A. Two and a half

per cent protection.

Two and a half per cent protection? A. Yes.

The spread between the grey and

only see the figures after they are actually costed.

THE COMMISSIONER: I am afraid I do not understand that.

5 BY MR. MORUER: Q. On your manufactured articles, you say that you have a two and a half per cent protection? A. It might be more than that, Mr. Moruer.

THE COMMISSIONER: Is that all?

10 BY MR. MORUER: Q. Well, taking the cost of the grey cloth laid down here, and the price that you have to sell it at.

THE COMMISSIONER: As against what, British goods?

15 BY MR. MORUER: A. As against British goods, yes.

A. The cost of the grey cloth here bought in England as against what we sell the goods dyed for.

20 Q. Yes? A. I am not just sure what the spread in tariff is, sir. I think it is two and a half per cent. It might be more than that.

MR. KELLOCK: It is five per cent. on the bleached and seven and a half per cent. on the coloured.

25 MR. BERRY: The grey cloth tariff, my lord, is 15 per cent.; the bleached cloth tariff is 20 per cent. and the coloured cloth tariff is 25½ per cent. These two latter rates are both less 10 per cent., so that the net rate on bleached cloth is 10 per cent, and the net rate on coloured 20½ per cent. Thus, the spread between the grey and bleached cloth tariffs is 3 per cent., and between the grey and coloured

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only see the figures after they are actually posted
THE COMMISSIONER: I am afraid I do not understand
that.
BY MR. MONTAGUE: On your manufactured articles
you say that you have a two and a half per cent
protection? A. It might be more than that.
McGraw.
THE COMMISSIONER: Is that all?
BY MR. MONTAGUE: Well, taking the cost of the
grey cloth laid down here, and the price that you
to sell it at.
BY MR. MONTAGUE: As against British goods, you
A. The cost of the grey cloth here bought in Britain
as against what we sell the goods dyed for.
A. Yes? A. I am not just sure what the
agreed in tariff is, sir. I think it is two and
per cent. It might be more than that.
MR. MILLER: It is five per cent. on the
bleached and seven and a half per cent. on the
MR. BERRY: The grey cloth tariff, my lord,
is per cent.; the bleached cloth tariff is 20 per
and the coloured cloth tariff is 25 per cent. The
two latter rates are both less 10 per cent., so that
the net rate on bleached cloth is 18 per cent., and
the net rate on coloured 20 per cent. Thus, the
is 2 per cent., and between the grey and coloured

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cloth tariffs, it is $5\frac{1}{2}$ per cent.

BY MR. McRUER: Q. So that with the tariff protection that the grey cloth manufacturers have, and which you have to pay to import your raw material, you enjoy a protection only of 3 per cent., and $5\frac{1}{2}$ per cent., on Mr. Berry's figures? A. That is correct.

A. Yes, that is correct.

A. Yes, that is correct. The tariff on raw material is 3 per cent., and the tariff on the finished cloth is $5\frac{1}{2}$ per cent.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

A. Yes, that is correct.

NOTATION

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cloth tariffs, it is 5 1/2 per cent.

BY MR. MONTAGUE: 4. So that with the tariff

tariff that you have of your manufacturing

and which you have to pay to import your raw

you enjoy a protection only of 3 per cent., and

you have, in your tariff, a

correct.

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Q. Now, you are not asking for any increases in
protection on your goods? A. No, sir.

Q. Never have asked for any increases?
A. No, sir.

Q. What do you say, Mr. Robinson, if you were
able to import your raw material free of duty from
Great Britain as to whether you could carry on
without any tariff protection?

A. We could carry on in our particular business, that
is, bleaching and dyeing, without tariff protection
against England; there is no doubt/that.

Q. If you got your raw material--

A. If we got our raw material free as well.

Q. Why do you say you could do that against
England?

A. Because we know our
costs and I know the prices they charge in England
for bleaching, dyeing and finishing, and I think we
can do as well at the same price.

Q. Well, we have heard a great deal about the
way they produce in England, sort of mass production,
and so on; how is it you could carry on the mill in
Woodbridge if you got your raw material free of
customs duty without something to protect you
against what we have heard of the low wages in
England, and so on?

A. Well, I think, sir,
that in the bleaching and dyeing end of the business
that we have possibly more mass production in this
country than they have in England. We are more
modern in that end of it. In the spinning and

Q. Now, you are not asking for any increase?

A. No, sir. Protection on your goods?

Q. Never have asked for any increase?

A. No, sir.

Q. What do you say, Mr. Robinson, if you were

able to import your raw material free of duty from

Great Britain as to whether you could carry on

without any tariff protection?

A. We could carry on in our particular business,

in, bleaching and dyeing, without tariff protection

about

against England; there is no doubt that.

Q. If you got your raw material--

A. If we got our raw material free as well.

Q. Why do you say you could do that against

England?

A. Because we have our

costs and I know the prices then charge in England

for bleaching, dyeing and finishing, and I think

can do as well at the same price.

Q. Well, we have heard a great deal about the

way they produce in England, sort of mass production

and so on; how is it you could carry on the mill

without any tariff protection if you got your raw material free of

customs duty without something to protect you

against what we have heard of the low wages in

England, and so on?

A. Well, I think, sir,

that in the bleaching and dyeing end of the business

that we have heard of the low wages in

country then they have in England. We are not

modern in that end of it. In the spinning and

weaving it is a different proposition. I think their costs in England are lower.

5 Q. Now, is there anything in accessibility to the market, being able to supply the demands of the market quickly?

A. We certainly have a decided advantage in that.

Q. Well now, how do you pay your men out at the plant; have you been criticized at all?

A. No sir, we have not.

10 Q. For your rates of wages? A. No sir, we never have been.

Q. Now, a little bit about your capital structure and the way you have your company organized. I understand it is something of a family company?

15 A. It is completely a family company, sir.

Q. Composed of what members?

A. My father, two brothers and myself.

Q. And you all work in the company?

20 A. Yes, sir.

Q. And you devote-- A. All our time to it.

Q. You all devote all your time to the company's affairs?

25 A. Yes, sir.

Q. Have you any public stock issue?

A. None whatever.

Q. None at all, so that there is no stock, capital stock that could be suggested to be of a watered nature?

30 A. No, sir.

Q. Now, is there anything in expediency to
market, being able to supply the demand of the
market quickly?
A. We certainly have
decided advantage in that.
Q. Well now, how do you pay your men out of it?
plant; have you been criticized at all?
A. No sir, we have not.
Q. For your rates of wages?
A. No sir.
Q. Now, a little bit about your capital
structure and the way you have your company
organized. I understand it is something of a
family company?
A. It is completely a
family company, sir.
Q. Composed of what members?
A. My father, two brothers and myself.
Q. And you all work in the company?
A. Yes, sir.
Q. And you devote--
A. All our time
Q. You all devote all your time to the company
activities?
A. Yes, sir.
Q. Have you any public stock issues?
A. None whatever.
Q. None at all, so that there is no stock
capital stock that could be suggested to be of
watered nature?
A. No, sir.

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Q. Your capital investment in the company all represents cash put into the company?

A. Yes sir, all of it.

Q. Has Mr. Howson been in touch with you?

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A. No, sir.

Q. We will have to get him in touch with you. I think you have supplied probably pretty well these facts to the tariff board?

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A. The Tariff Board had our financial statements for the last 5 years and I think your Commission was to get the files.

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Q. Yes, you told me that. Now, at the hearing of the Tariff Board, or rather in your letter of March 17th to the Tariff Board you make this statement in regard to specific duty. "In our opinion, a

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specific duty on all types of unbleached cotton goods, of so much a pound, is grossly unfair, because it means that a duty of this kind is either not high enough on closely woven cloths from high count yarns, or it is too high on ordinarily constructed cloths of low count yarns".

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Explain to his lordship what you mean by that, Mr. Robinson?

A. I mean this, sir, that you cannot in justice put a certain price per pound duty on different types of cotton piece goods, because one type of cotton piece goods will have a selling value of 60 cents a pound when it is finished, in the grey woven, and another type of cotton piece goods will only have a selling value of 30 cents a pound. If you put a duty per pound of

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Q. Your capital investment in the company all represents cash put into the company?

A. Yes sir, all of it.

Q. Has Mr. Rowson been in touch with you?

A. No, sir.

Q. We will have to get him in touch with you.

I think you have supplied probably pretty well

the facts of the case.

A. The Audit Board had our financial statements for

the last 5 years and I think your Commission was

not the first.

Q. Yes, you told me that. Now, at the hearing

of the Audit Board, or rather in your letter of

March 19th to the Audit Board you make this statement

in regard to specific duty. "In our opinion, a

specific duty on all types of upholstered seats

goods, of so much a pound, is grossly unfair

because it means that a duty of this kind is

either not high enough on closely woven cloth

from high count yarns, or it is too high on

ordinarily constituted cloth of low count yarns.

Explain to his lordship what you mean by that, Mr.

Rowson?

A. I mean this, sir, that you

cannot in justice put a certain price per pound

only on different types of upholstered goods.

Because one type of cotton plush goods will have

netting value of 50 cents a pound when it is

finished, in the grey woven, and another type of

netting value of 50 cents a pound. If you put a duty per pound

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the same rate on these cloths you are taxing one 10 percent and the other 5 percent and it is not fair.

5 Q. What do you say as to whether merchants dealing in goods are in a position to calculate ahead what they are going to have to pay for duty on articles they are importing where there is a specific duty on?

A. Of course, a person has got to be an expert today to know what a thing is going to cost him when it gets here.

10 Q. Why do you say that, that a person has got to be an expert today to know what a thing is going to cost him when it gets here?

15 A. Well, the rate of exchange is fluctuating so badly for one thing and then again we have had unstable tariffs for another thing. We are liable to have a tariff today and have it changed tomorrow.

20 Q. Well, in your letter to the Tariff Board you make this statement under the heading of "Cost of Grey Materials".

25 "As this represents our basic raw material, it is evident that same must be purchased at such prices that after adding our manufacturing costs and proper profit, we should be able to sell the finished cloth in competition with other firms who, in this country, produce the finished cloth in its entirety. Before starting in our present business, the spread between the grey prices and the finished prices of Canadian producers, were such that a bleaching, dyeing and finishing plant could make satisfactory headway.

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the same rate on these cloth as you are taxing one percent and the other 5 percent and it is not tax

Q. What do you say as to whether merchants

feeling in cases are in a position to calculate what they are going to have to pay for duty on

articles they are importing where there is a special duty only A. Of course, a person has

to be an expert today to know what a thing is going to cost him when it gets here.

Q. Why do you say that, that a person has got

to be an expert today to know what a thing is going to cost him when it gets here? A. Well,

rate of exchange is fluctuating so badly for one and then again we have had unstable tariffs for

another thing. We are liable to have a tariff

any day or night.

Q. Well, in your letter to the Tariff Board you

make this statement under the heading of "Cost of Grey Materials".

"As this represents our basic raw material, it is evident that same must be purchased at such

that after adding our manufacturing costs and proper profit, we should be able to sell the

finished cloth in competition with other firms in this country, produce the finished

in its entirety. Before starting in our

present business, the spread between the

between the finished goods of

between the finished goods of

between the finished goods of

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"However, today, due to an evident resentment of an approached monopoly being broken, we are only able to purchase grey goods from domestic mills at English landed prices, although the finished cloths are sold by these grey goods manufacturers at very little margin over the grey prices which they are willing to sell us such cloths for."

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Now, this was written in March, 1936; was that true then?

A. Yes, sir, that was at the time of the Tariff Board Investigation and that was true.

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Q. Since then, of course, there has been a downward revision of the tariff?

A. There is a friendlier feeling today than there was when that letter was written.

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Q. Well, I suppose this letter was read before the tariff board?

A. Yes.

Q. And it may have had some effect, but there also has been a downward revision of the tariff?

A. Yes, sir.

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Q. In respect to these articles that we are dealing with, but I want to exhaust this a little further though. You state here that you were only able to purchase grey goods from the domestic mills at English landed prices although the finished cloths are sold by these grey goods manufacturers at very little margin over the grey prices which they are willing to sell us such cloths for. Now, that

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was a fact then?

A. Yes, it was.

"However, today, due to an evident tendency
an approached monopoly being broken, we are

mill at English landed prices, although
manufacturers at very little margin over
gray prices which they are willing to sell

Now, this was written in March, 1906; was that the
then? A. Yes, sir, that was at the time
of the Warrent Board investigation and that was the
A. Since then, of course, there has been a

downward revision of the tariff?
A. What is
further feeling today than there was when that
letter was written.

A. Well, I suppose this letter was read before
the tariff board?
A. Yes.

A. And it may have had some effect, but that
also has been a downward revision of the tariff?
A. Yes, sir.

A. In respect to those articles that we are
dealing with, but I want to express that a little
further though. You state here that you were on

able to purchase gray goods from the domestic mill
at English landed prices although the finished
cloths are sold by these gray goods manufacturers
very little margin over the gray prices which they
are willing to sell at much of the time.

A. Yes, it was.
was a fact then?

Q. And "Our contention is that the grey producers have a higher tariff production than necessary".

THE COMMISSIONER: Protection?

5 MR. McNUER: Protection; "For example, the Dominion Textile Company have today quoted us on three qualities of grey goods. These quotations are listed hereunder and also the prices that the Dominion Textile company would quote to 'cutters-up' for finished goods, made from the same basic grey qualities. We feel confident that the actual margin applied to dyeing and finishing is below the actual cost of such operation, proving that too large a margin of profit is made on the grey goods, on account of English goods not being able to be imported at competitive values to a Canadian producers grey cost, plus a reasonable profit."

10 Now, the quotation is this, R18 Grey Goods Quoted, 40" at 9-3/4¢, and the selling prices of finished cloths, Pd9, 38" finished 11 1/2¢, spread 1 1/2¢. What you are saying there, apparently is that the spread between the price of the grey goods quoted to you, that is, 9-3/4¢, and the price of the finished cloth sold by the same company, namely, 11 1/2¢, the spread is 1 1/2¢?

15 A. Yes, sir.

20 Q. Which is-- A. Not sufficient to cover the cost of doing that operation.

25 Q. Less than the cost of the operation?

30 A. Yes, sir.

Q. And "Our contention is that the grey goods have a higher tariff protection than necessary".

THE COMMISSIONER: Protection?

MR. MEMBER: Protection; "For example, the

quality of grey goods.

are listed hereunder and also the prices that

Dominion Textile Company would quote to 'cut

up' for finished goods, made from the same

grey qualities. We feel confident that the

actual margin applied to dyeing and finishing

below the actual cost of such operation, and

that too large a margin of profit is made on

grey goods, on account of English goods not

being able to be imported at competitive rates

to a Canadian producer's grey cost, plus a

reasonable profit."

Now, the question is this, His Grey Goods quoted

40" at 3-3/4, and the selling prices of finished

clothes, 38", 36", finished 11, spread 12, and

you are saying there, apparently is that the spread

between the price of the grey goods quoted to you

that is, 3-3/4, and the price of the finished of

sold by the same company, namely, 11, the spread

is 12?

A. Yes, sir.

Q. Now, the cost of the operation

cover the cost of doing that operation.

Q. Less than the cost of the operation?

A. Yes, sir.

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BY THE COMMISSIONER: Q. The converting process?

A. Yes.

BY MR. McRUER: Q. Your contention was that the price of the grey goods quoted to you was higher than it ought to have been? A. Higher than it should have been, yes.

Q. And that since you took this matter up, and since it was before the Tariff Board, whatever the reason is, it has come down?

A. Yes, we can buy now from the Canadian firms, Dominion Textiles in particular.

Q. You go on to say: "We think that if a Canadian mill is willing to sell a finished cloth at 11 $\frac{1}{2}$ ¢ per yard they should be willing to sell the basic grey goods, from which the finished cloth is made, at a price less their dyeing and finishing cost and a reasonable profit thereon."

Now, just as to how you have been getting along in your business; your company, I understand, is in good financial condition? A. Yes, sir, very good.

Q. Owe any money to the bank? A. We may owe them a little now, but we won't at the end of our fiscal year. We borrow during the year but we clean it up at the end of the year.

Q. I understand at the end of every fiscal year your bank loan is paid off and everything is clear? A. Yes, sir.

Q. No bonded indebtedness? A. No bonded

BY THE COMMISSIONER: Q. The converting process

A. Yes.

BY MR. MCNULTY: Q. Your contention was that the

price of the grey goods quoted to you was higher

than it ought to have been?

It should have been, yes.

Q. And that since you took this matter up, and

since it was before the Tariff Board, whatever the

reason is, it has come down?

A. Yes, we can buy now from the Canadian firms.

Domestic Textiles in particular.

Q. You go on to say: "We think that if a Canadian

mill is willing to sell a finished cloth at

15¢ per yard they should be willing to sell

the basic grey goods, from which the finished

cloth is made, at a price less than their buying

finishing cost and a reasonable profit thereon.

Now, just as to how you have been getting along

in your business; your company is manufacturing, is

not it? A. Yes, sir.

Q. Owe any money to the bank?

A. We have.

Q. How much? A. About \$100,000.

Q. How long has it been there? A. Since the year

ended it up at the end of the year.

Q. Is it a loan? A. Yes.

Q. Your bank loan is paid off and everything is clear?

A. Yes, sir.

Q. No longer indebted?

A. No longer.

indebtedness.

Q. Your business is in a healthy condition?

A. Very healthy.

Q. If you had been able to import your raw materials at a more reasonable price would your business have expanded in the past 3 or 4 years?

A. We would have made more headway than we have made on having a restricted market to buy our goods.

Q. You feel your business has been handicapped on that account?

A. Undoubtedly it has been.

Q. You are going ahead better now?

A. We are going ahead better now, yes sir.

THE COMMISSIONER: To what extent has employment increased, for instance?

BY MR. McRUER: Q. Oh yes, has your employment increased?

A. Yes, I would say we are employing roughly 15 percent more today than we were 6 months ago.

Q. I think that is all, Mr. Robinson, thank you.

THE COMMISSIONER: Mr. Kellock?

BY MR. KELLOCK: Q. Just a question or two; you spoke about the instance of a specific duty on cotton piece goods?

A. Yes.

Q. Since May of this year there are no specific duties?

A. No, there are no specific duties now.

Q. You were saying something about the protection on English grey goods being in your opinion a little excessive in the past year?

A. Well, my

indebtedness.

Q. Your business is in a healthy condition?

A. Very healthy.

Q. If you had been able to mount your new

materials at a more reasonable price would your

business have expanded in the past 3 or 4 years?

A. We would have made more headway than we have

on having a restricted market to buy our goods.

Q. You feel your business has been handicapped

on that account?

A. Undoubtedly it has.

Q. Now.

Q. You are going ahead better now?

A. We are going ahead better now, yes sir.

Q. THE COMMISSIONER: To what extent has employment

increased, and how much?

BY MR. KENNEDY: Q. Oh yes, has your employment

increased? A. Yes, I would say we are

employing more than we were last year.

were 6 months ago.

Q. I think that is all, Mr. Robinson, thank

THE COMMISSIONER: Mr. Robison?

BY MR. KENNEDY: Q. Just a question or two; you

spoke about the instance of a specific duty on cost

price goods? A. Yes.

Q. Since May of this year there are no specific

A. No, there are no specific

Q. You are going on well about the matter?

Q. Would you kindly state in your opinion a

prospective in the past year? A. Well, my

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point in that was not that they might have been excessive, as what they cost to make in this country - I don't know what Canadian grey goods cost to make, but they were excessive from the standpoint that we could not buy our basic material in this country to allow them to compete with the finished products put out by the same mills that made the grey goods. That is what I meant.

Q. The whole burden of your point there, as I understand it, is that you thought that the cost of finishing in these other mills that you would ordinarily buy your grey goods from was really more than it appeared to be when you compared the prices quoted to you on grey goods and the prices that you thought that they were selling the finished article for? A. Yes. The thing is this, sir, that when I was before the Tariff Board I took the stand that they should take the cloth at its selling price and then take each operation away from it and then get the cost right down to what the raw cotton cost. Now, if a firm is willing to sell a finished piece of cloth at 12 cents then off that comes the cost of printing it or dyeing, and we will say that is 3 cents so then the grey goods are at 9 cents. Then, if the labour and overhead on the grey goods is 7 cents then the raw cotton left is 2 cents. My point is the grey goods were out of line. Therefore, to bring them in line the English goods should be allowed to be shipped in here at a

point in fact was not that they might have been
excessive, as what they cost to make in this country
I don't know what Canadian grey goods cost to make
but they were competitive with the finished goods
could not buy our basic material in this country
allow us to compete with the finished products
out by the same mills that made the grey goods.
is what I meant.

2. The whole burden of your point there, as I
understand it, is that you thought that the cost
finishing in these other mills that you would
ordinarily buy your grey goods from was really more
than it appeared to be when you compared the prices
quoted to you on grey goods and the prices that you
thought that they were selling the finished articles
for? A. Yes. The thing is this.

Now, that when I was before the Tariff Board I found
the stand that they should take the cloth at its
selling price and then take each operation away from
it and then get the cost right down to what they
raw cotton cost. Now, if a firm is willing to
a finished piece of cloth at 15 cents then off that
comes the cost of printing it or dyeing, and we would
say that is 3 cents so then the grey goods are at
9 cents. Then, if the labour and overhead on the
grey goods is 7 cents then the raw cotton left is
2 cents. My point is the grey goods were out
Therefore, to bring them in line the
would be allowed to be shipped in here at

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lower duty. There was my point. I was thinking entirely of myself, to be able to buy my basic products cheaper.

5 Q. You did not have at all in mind the comparative cost of production of the English article and the Canadian article? A. No sir, I did not.

Q. Thank you.

10 THE COMMISSIONER: What about that case we started yesterday that Mr. Kellock was to look into over night?

MR. KELLOCK: We had him this morning, my lord; that was the last witness before we adjourned.

15 THE COMMISSIONER: You mean the one you cross-examined?

MR. KELLOCK: Yes.

THE COMMISSIONER: Then, we are not to hear any of the people he named there.

20 MR. KELLOCK: No; I understand the manager of that mill is away and the assistant manager does not propose to take any responsibility in his absence.

THE COMMISSIONER: All right.

MR. McRUER: Mr. Fisher was to be here at a quarter to three, my lord.

25 THE COMMISSIONER: Well, that clock is fast, of course, that clock is five minutes fast. We cannot complain until a quarter to three comes.

THE COMMISSIONER: It is a quarter to three now.

30 Was that man subpoenaed?

MR. McRUER: Pardon?

THE COMMISSIONER: Was he subpoenaed?

MR. McRUER: No, he was just notified to come.
He said he would be here.

5 THE COMMISSIONER: Have you anybody else to go on with?

MR. McRUER: Mr. Walton is out 'phoning. We will have some word from him in a moment. I do not understand why he is not here. My lord, Mr. Whiteley has had prepared in the Bureau of Statistics a table dealing with Canada's trade with Japan between the fiscal years 1922 and 1935.

THE COMMISSIONER: What does the table show?

15 MR. McRUER: Canada's trade with Japan for the fiscal years 1922 to 1936.

THE COMMISSIONER: The fiscal year ends on the 31st of March; that means ending in March, 1936?

MR. McRUER: Yes, my lord.

20 THE COMMISSIONER: The fiscal years ending 1932 to 1936?

MR. McRUER: 1922 to 1936.

THE COMMISSIONER: It will be Exhibit 666.

EXHIBIT 666: Canada's trade with Japan fiscal years 1922 to 1936.

25 MR. McRUER: There is another table that has been prepared in the same manner that deals with Canada's trade with Japan by months for principal commodities.

THE COMMISSIONER: For the same period?

MR. McRUER: No, my lord, from 1934 to 1936.

30 THE COMMISSIONER: The principal commodities?

THE COMMISSIONER: Has he any more to say?

THE COMMISSIONER: Has he any more to say?

MR. McRUR: No, he was just notified to come.

He said he would be here.

THE COMMISSIONER: Have you anybody else to call?

MR. McRUR: Mr. Neilson is out 'phoning.

Will have some word from him in a moment. I do not

understand why he is not here. My lord, Mr. Neilson

has had prepared in the Bureau of Statistics a table

dealing with Canada's trade with Japan between the

years 1928 to 1936.

THE COMMISSIONER: What does the table show?

MR. McRUR: Canada's trade with Japan for the

fiscal years 1928 to 1936.

THE COMMISSIONER: The fiscal year ends on the

31st of March; that means ending in March, 1937?

MR. McRUR: Yes, my lord.

THE COMMISSIONER: The fiscal year ending in

1937?

MR. McRUR: 1936 to 1937.

THE COMMISSIONER: It will be Exhibit 222.

MR. McRUR: That is correct, my lord.

Years 1928 to 1936.

THE COMMISSIONER: What is the nature of the table?

prepared in the same manner that deals with Canada

trade with Japan by months for principal commodities

THE COMMISSIONER: For the same period?

MR. McRUR: No, my lord, from 1928 to 1936.

THE COMMISSIONER: The principal commodities?

MR. McRUER: Yes.

THE COMMISSIONER: From 1934?

MR. McRUER: 1934 to 1936.

THE COMMISSIONER: For the fiscal years again?

MR. McRUER: Yes, my lord.

SECRETARY WHITELEY: No, that is by months,

January, 1934 to July, 1936.

THE COMMISSIONER: Between January, 1934 and July,
1936?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: All right.

MR. McRUER: Your lordship will recollect at
Montreal we discussed the question of the quantities
of shipments of pulp and wheat to Japan in 1935 when
the surtax was on compared with shipments in other
months, so this analysis deals with all the principal
commodities such as aluminum in bars, blocks, asbestos,
fertilizers, fish, lead, in pigs, logs, nickel,
wrapping paper, planks and boards and so on.

THE COMMISSIONER: We had better make that one
Exhibit, hadn't we?

MR. McRUER: I think it might be better to have
two exhibits of them, my lord.

THE COMMISSIONER: All right, that will be 667.

EXHIBIT 667: Canada's trade with Japan by months
for principal commodities, 1934,
1935, 1936.

MR. McRUER: Because they are very informative;
there is one other matter that I would like to put in
just with them.

THE COMMISSIONER: Yes.
THE COMMISSIONER: From 1934
THE COMMISSIONER: For the fiscal year ending
MR. McHUGH: Yes, my lord.
SECRETARY WILKINSON: No, that is by months.
THE COMMISSIONER: Between January, 1934 and
1935.
MR. McHUGH: Yes, my lord.
THE COMMISSIONER: All right.
MR. McHUGH: Your lordship will recollect at
Montreal we discussed the question of the quantities
of shipments of pulp and wheat to Japan in 1935 when
the tariff was on a par with shipments in other
months, so this analysis deals with all the principal
commodities such as aluminum in bars, blocks, sheets,
fertilizers, fish, lead, in pigs, logs, nickel,
wrapping paper, planks and boards and so on.
THE COMMISSIONER: We had better make that one
exhibit, hadn't we?
MR. McHUGH: I think it might be better to have
two exhibits of them, my lord.
THE COMMISSIONER: All right, that will be 637.
MR. McHUGH: Because they are very informative;
there is one other matter that I would like to put
in with them.

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THE COMMISSIONER: What is this?

MR. McRUER: It is a table contained in the
Oriental Economist of July, 1936.

5 THE COMMISSIONER: The Oriental Economist; that
is published where?

MR. McRUER: It is published in Japan, my lord.

THE COMMISSIONER: What date?

MR. McRUER: For July, 1936.

10 THE COMMISSIONER: An article?

MR. McRUER: Yes, my lord, at page 423. It is
a table on that page that I have particular reference
to. It deals with wheat imports by originating
countries.

15 THE COMMISSIONER: Wheat imports by originating
countries?

MR. McRUER: Yes, wheat imports into Japan; the
table deals with it by originating countries.

20 THE COMMISSIONER: The country in which the wheat
was grown.

MR. McRUER: In which the wheat was grown, in
thousand piculs. I don't know what a picul is.
It is evidently a measure of wheat in Japan. In
1929 of a total importation of 12,231 thousand piculs
25 Canada contributed 6,649 thousand, Australia 2,402
thousand; in 1930 out of 8,063 thousand--

THE COMMISSIONER: Eight thousand what?

MR. McRUER: 8,063 thousand; these are in thousand
piculs.

30 THE COMMISSIONER: Yes.

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MR. ROBERT: It is a table contained in the

Oriental Economist of July, 1936.

THE COMMISSIONER: The Oriental Economist; the

is published by

MR. ROBERT: It is published in Japan, my friend.

THE COMMISSIONER: What date?

MR. ROBERT: Not July, 1936.

THE COMMISSIONER: An article?

MR. ROBERT: Yes, my friend, at page 483.

a table on that page that I have particular reference

to. It deals with wheat imports by originating

countries.

THE COMMISSIONER: What imports by originating

countries?

MR. ROBERT: Yes, wheat imports into Japan; the

table is on page 483 of the Oriental Economist.

THE COMMISSIONER: The country in which the wheat

was grown.

MR. ROBERT: In which the wheat was grown, in

thousand bushels. I don't know what a bushel is.

It is evidently a measure of wheat in Japan. In

1935 or a total importation of 18,381 thousand bushels.

Of this total, 8,063 thousand bushels were imported from

Japan; in 1930 out of 8,063 thousand--

THE COMMISSIONER: Eight thousand wheat

MR. ROBERT: 8,063 thousand; these are in thousands.

THE COMMISSIONER: Yes.

THE COMMISSIONER: Yes.

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MR. McRUER: Canada contributed 2,957 and Australia 1,706; that is still in thousand piculs. In 1931 out of a total of 12,039 thousand piculs Canada contributed 2,597 thousand and Australia 8,554 thousand.

THE COMMISSIONER: Did you say 1933?

MR. McRUER: 1931, my lord. In 1932 out of 12,443 Canada contributed 1,983 and Australia 10,264. In 1933 out of 8,520 Canada contributed 1,874 and Australia 6,593. In 1934 out of 8,144 Canada contributed 1,325 and Australia 4,455. In 1935 out of 7,417 Canada contributed 881 and Australia 5,558. So whatever the reason is Canada has almost lost the market entirely that she had, apparently, to Australia. That is all at page 423 in this. I would like to file it.

THE COMMISSIONER: Exhibit 668.

EXHIBIT 668: Oriental Economist for July, 1936.

MR. McRUER: Exhibit 666 deals with the principal commodities by years and it shows that in 1926, for instance, our imports from Japan were \$9,564,074.

THE COMMISSIONER: Nine million and what?

MR. McRUER: \$9,564,000 in round figures, while our exports to Japan were \$34,694,000. In 1927 our imports from Japan were \$11,170,000 while our exports were \$29,929,000. In 1928 our imports were \$12,505,000 and our exports \$32,968,000. In 1929 our imports were \$12,921,000 and our exports \$42,099,000. In 1930 our imports were \$12,537,000 and our exports were

Mr. McNeil: Canada contributed \$,987 and the
1,700; that is all in thousands of dollars. In 1983
out of a total of 12,000 thousand dollars Canada
contributed \$,587 thousand and Australia \$,114
thousand.

THE COMMISSIONER: Did you say 1983?

Mr. McNeil: 1983, my lord. In 1984 out of
12,443 Canada contributed 1,987 and Australia 1,114.
In 1983 out of 8,580 Canada contributed 1,587 and
Australia 6,993. In 1984 out of 8,144 Canada
contributed 1,987 and Australia 6,157. In 1983
out of 7,417 Canada contributed 801 and Australia
6,616. No matter the reason is Canada has a
lost the market entirely that she has, apparently.
That is all at page 423 in this.

THE COMMISSIONER: Exhibit 600.

THE COMMISSIONER: Exhibit 600.

Mr. McNeil: Exhibit 600 deals with the
commissions by years and it shows that in 1982,
instance, our imports from Japan were \$5,000,000.

THE COMMISSIONER: What million are we?

Mr. McNeil: \$5,000,000 in round figures, which
our exports to Japan were \$54,000,000. In 1983
imports from Japan were \$11,170,000 while our ex-
ports were \$25,225,000. In 1984 our imports were

\$12,000,000 and our exports \$25,225,000. In 1985
our imports were \$12,957,000 and our exports \$25,225,000.
In 1986 our imports were \$12,557,000 and our exports

\$30,475,000. In 1931 our imports were \$9,342,000 and our exports were \$18,958,000. In 1932 our imports were \$5,990,000 and our exports were \$16,555,000. In 1933 our imports were \$3,860,000 and ^{our} exports were \$10,327,000. In 1934 our imports were \$3,311,000 and our exports \$13,802,000. In 1935 imports were \$4,424,000 and our exports \$16,935,000. In 1936--

THE COMMISSIONER: That is up to the end of the fiscal year?

MR. McRUER: The fiscal year, my lord; our imports were \$3,466,000 and our exports \$14,844,000. Now this is subject to a table that is appended which shows the total imports direct from Japan and the total imports of raw silk from the United States.

THE COMMISSIONER: The total imports of raw silk from Japan?

MR. McRUER: No, the total imports of raw silk from the United States. There is no method by which we can determine what quantities of the raw silk imported from the United States came from Japan but we have tabulated here the totals of the raw silk imported from the United States with the totals of imports from Japan so that we have--

THE COMMISSIONER: With all imports from Japan?

MR. McRUER: With all imports from Japan so that we have that figure as well for comparative purposes. I wanted to draw your lordship's attention to the exports of wheat to Japan.

THE COMMISSIONER: Just a minute now, give me

\$30,475,000. In 1931 our imports were \$3,342,000
and our exports were \$18,938,000. In 1932 our
imports were \$5,990,000 and our exports were \$16,885,000
In 1933 our imports were \$8,860,000 and exports were
\$10,327,000. In 1934 our imports were \$8,311,000
and our exports \$13,842,000. In 1935 imports were
\$4,424,000 and our exports \$10,335,000. In 1936-
THE COMMISSIONER: That is up to the end of the
fiscal year?
MR. MURPHY: The fiscal year, my lord; our im-
ports were \$3,466,000 and our exports \$14,844,000. Now
this is subject to a table that is appended which
shows the total imports direct from Japan and the
total imports of raw silk from the United States.
THE COMMISSIONER: The total imports of raw silk
from Japan?
MR. MURPHY: No, the total imports of raw silk
from the United States. There is no method by
which we can determine what quantities of the raw
silk imported from the United States came from Japan
but we have tabulated here the totals of the raw silk
imported from the United States with the totals of
imports from Japan so that we have--
THE COMMISSIONER: With all imports from Japan
MR. MURPHY: With all imports from Japan so
that we have that figure as well for comparative
purposes. I wanted to give you a table's
attention to the exports of wheat to Japan.
THE COMMISSIONER: Just a minute now, give me

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those last figures, you have not given me those last figures, yet. You say with imports of all sorts from Japan; what year?

MR. McRUER: For all years.

THE COMMISSIONER: For all these years.

MR. McRUER: Yes.

THE COMMISSIONER: On what basis?

MR. McRUER: By year, my lord, from 1930.

THE COMMISSIONER: Well, give me that.

MR. McRUER: I see the table here shows as well these figures with raw silk added to it, raw silk imported from the United States added to it.

THE COMMISSIONER: Each year?

MR. McRUER: Each year; that is on the table here so that we can make any allowance that it is necessary to make for that purpose. It ran from \$5,603,000 in 1930 to \$3,664,000 in 1935. Now, as to exports of wheat to Japan in 1930, wheat exported, \$8,625,000--

THE COMMISSIONER: \$8,625,000 worth?

MR. McRUER: Yes, my lord; in 1931--

THE COMMISSIONER: Dealing again with fiscal years?

MR. McRUER: Yes, my lord; 1931, it was \$5,260,000; 1932, \$3,911,000; 1933, \$564,000; 1934, \$2,830,000; 1935, \$2,421,000; 1936, \$2,082,000. Wood pulp, 1930, \$2,408,000; 1931, \$2,388,000; 1932, \$2,466,000; 1933, \$807,000; 1934, \$1,463,000; 1935, \$1,869,000; 1936, \$1,098,000. Then, zinc smelters--

THE COMMISSIONER: Zinc smelters?

MR. McRUER: Spelter, that appears to be an important

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those last figures, you have not given me some last
figures, got. You say with imports of all sorts
from Japan; what year?

MR. BOWEN: For all years.
THE COMMISSIONER: For all these years.
MR. BOWEN: Yes.

THE COMMISSIONER: On what basis?
MR. BOWEN: By year, my lord, from 1930.
THE COMMISSIONER: Well, give me that.

MR. BOWEN: I see the table has shown as well
these figures when now with added 1.1, the silk
imported from the United States added to it.
THE COMMISSIONER: Each year?

MR. BOWEN: Each year; that is on the table here
so that we can make any allowance that it is necessary
to make for that purpose. It ran from \$5,000,000
in 1930 to \$5,000,000 in 1935. Now, as to export
of wheat to Japan in 1940, wheat exported, \$5,000,000.

THE COMMISSIONER: \$5,000,000 worth?
MR. BOWEN: Yes, my lord; in 1931--

THE COMMISSIONER: Being equal with that of 1931?
MR. BOWEN: Yes, my lord; 1931, it was \$5,000,000.
1932, \$5,000,000; 1933, \$5,000,000; 1934, \$5,000,000;
1935, \$5,000,000; 1936, \$5,000,000; 1937, \$5,000,000;
1938, \$5,000,000; 1939, \$5,000,000; 1940, \$5,000,000;
1941, \$5,000,000; 1942, \$5,000,000; 1943, \$5,000,000;
1944, \$5,000,000; 1945, \$5,000,000; 1946, \$5,000,000;
1947, \$5,000,000; 1948, \$5,000,000; 1949, \$5,000,000;
1950, \$5,000,000. Then, since 1951--

THE COMMISSIONER: Since 1951?
MR. BOWEN: Right, that appears to be an error.

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article of commerce between Canada and Japan. In
1931 exports were \$1,987,000; 1932, \$633,000; 1932,
\$624,000; 1933, \$726,000; 1934, \$735,000; 1935,
\$976,000; 1936, \$713,000. I am making a little
further analysis and study of these figures, my
lord, which I will have tabulated in the same form to
hand to your lordship. Now, Mr. Fisher.

(Page 8990 follows)

article of commerce between Canada and Japan.
1931 exports were \$1,337,000; 1932, \$235,000; 1933,
\$234,000; 1934, \$726,000; 1935, \$736,000; 1936,
\$276,000; 1937, \$712,000. I am making a list of
further analysis and study of these figures, my
lord, which I will have tabulated in the same form
and to your lordship. Now, Mr. Fisher.

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ALBERT KEHL, Sworn,

EXAMINED BY MR. McRUER:

Q. What is your business? A. Manufacturers Agent and wholesaler.

Q. To carry on business where? A. In Toronto.

THE COMMISSIONER: Q. Manufacturers Agent, that is your Company? A. Manufacturers Agent and wholesalers.

Q. Wholesalers of what? A. Silks and dry-goods.

Q. Drygoods? A. All kinds of drygoods.

Q. That is, in Toronto? A. In Toronto is our head office.

Q. MR. McRUER: How long have you been in business here? A. A.D. Fisher is in business since 1898 and I am associated with Fishers in 1908.

Q. Do you handle Japanese goods? A. We do.

Q. What lines? A. Textiles.

Q. What kind of textiles? A. Silks and rayons and cotton goods and handkerchiefs.

Q. Did you have any trade in these goods in the years 1930 to 1935? A. Yes, a small trade.

Q. To what comparative extent was your business or what was your business as compared with previous years? A. Oh, the average purchases from Japan 1925 to 1929 were \$1,000,000. It decreased by 1930 to \$40,000, and has remained at about \$40,000 up until the end of 1935, \$40,000 a year.

ALBERT BRYDIE

ALBERT BRYDIE, Sworn

EXAMINED BY MR. McNEIL:

Q. What is your business?

A. Manufacturer and wholesaler.

Q. To carry on business where?

A. In Toronto.

Q. Your company?

A. Manufacturers and Wholesalers.

Q. Wholesalers of what?

A. Goods.

Q. Dry goods?

A. All kinds of dry goods.

Q. That is, in Toronto?

A. In Toronto.

Q. How long have you been in business since 1900?

A. I am associated with partners in 1900.

Q. Do you handle Japanese goods?

A. No.

Q. What kind of textiles?

A. Silks and cotton goods and handkerchiefs.

Q. Did you have any trade in these goods in 1900?

A. Yes, a small trade.

Q. To what comparative extent was your business in 1900?

A. It was very small.

Q. In 1900, the average purchases from 1900 to 1905 were \$1,000,000. It increased by 1905 to \$2,000,000, and has remained at about \$2,000,000 up until the end of 1905, \$2,000,000 a year.

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A. Kehl

Q. And what was the general nature of the goods that you handled prior to 1930? A. Prior to 1930.

THE COMMISSIONER: You say the goods he handled - do you mean Japanese goods?

M.R. McRUER: Q. Japanese goods, yes. A. Chiefly silk goods.

BY THE COMMISSIONER: Q. That means natural silk, I suppose? A. That means silk woven in the raw to be dyed and finished in Canada was the biggest item.

Q. I mean, that is natural silk, real silk? A. Yes, real silk.

MR. McRUER: Q. Did you import it in the grey? A. Very largely in the grey.

Q. To be woven and dyed in Canada? A. No, it is woven. - to be dyed and finished in Canada.

Q. That is, that it be converted here? A. Yes, to be converted here.

Q. About how much a yard would be spent on it in the conversion? A. The conversion was then 16 cents a yard.

Q. Why did your business fall off from about a million dollars a year to about \$40,000?

A. Due to prohibitive customs duties.

Q. Now, you said, "Due to prohibitive customs duties," were you not able to bring the goods in and pay the duty and sell competitively here?

A. Absolutely impossible.

A. Koni
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... and what was the general nature of the goods

that you handled prior to 1880?

Q. You say the goods he handled

do you mean Japanese goods?

A. Yes, Japanese goods, yes.

silk goods.

BY THE COURT: That is the natural

I suppose? A. That seems silk woven in the

raw to be dyed and finished in Canada was the high

I mean, that is natural silk, real silk?

A. Yes, real silk.

Q. Did you import it in the grey?

A. Very largely in the grey.

Q. To be woven and dyed in Canada?

it is woven - to be dyed and finished in Canada.

Q. That is, that it be converted here?

A. Yes, to be converted here.

Q. About how much a year would be spent on it?

A. The conversion was then

cents a year.

Q. Why did your business fall off from about a

million dollars a year to about \$10,000?

A. Due to prohibitive customs duties.

Q. Now, you said, "Due to prohibitive customs

duties," were you not able to bring the goods in

pay the duty and sell competitively here?

Q. So that the effect of the prevailing customs duty was not to put Japanese goods on a competitive basis here but apparently to exclude them?

5 A. Exclude them entirely. If we never had to pay one dollar for our goods in Japan the duties alone were more than the goods could be made for and bought. If we never had to pay one dollar for merchandise in Japan the duties alone were sufficient to hold the goods out of Canada. I am referring now --

10 Q. In your experience as manufacturers' agents, the duties alone amounted to sufficient to make it impossible to sell the goods here as against Canadian produced goods - that is, that they amounted more
15 per yard for commercially equivalent goods?---

A. I am referring now to the chief item of import up to 1920, which was flat crepe, that we sold as flat crepe and which was bought in very large quantities
20 not only by us ^{but} by other importers. I am referring to this particular item which constituted, I would say, 50% of our total imports.

Q. Flat crepe constituted 50% of your total import?
25 A. Yes.

Q. And that was a real silk article? A. Yes, sir.

Q. You say that the duties that were placed on that after 1930 were sufficient, that the duty alone would be equal to the cost of manufacture of production and
30 sale in Canada? A. That is correct.

Q. Even though you paid nothing for the article?

A. Kehl

Q. So that the effect of the prevailing custom

was not to put Japanese goods on a competitive

basis here but apparently to exclude them?

A. Exclude them entirely. If we never had to

one dollar for our goods in Japan the duties alone

were more than the goods could be made for and

bought. If we never had to pay one dollar for

merchandise in Japan the duties alone were sufficient

to hold the goods out of Canada. I am referring

Q. In your experience as manufacturers, agents

the duties alone amounted to sufficient to make it

impossible to sell the goods here as against Canada

produced goods - that is, that they amounted more

per yard for commercially equivalent goods?---

A. I am referring now to the chief item of import

up to 1930, which was flat crepe, that we sold as

that crepe was sold in your country

not only by us ^{but} by other importers. I am referring

to this particular item which constituted, I would

say, 90 per cent of our imports.

Q. That crepe constituted 90 per cent of your total

imports? A. Yes.

Q. And that was a real silk article? A. Yes.

Q. You say that the duties that were placed on

after 1930 were sufficient, that the duty alone was

be equal to the cost of manufacture of production

A. That is correct.

Q. Even though you paid nothing for the article

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A. That is right.

Q. Not only equal to but you say sufficient that you could not import it and sell in competition here, is that correct?

A. No, we could not sell it even if we had not had to pay for the merchandise, for this reason, that the goods that come from Japan, quality for quality, are not as good as was produced in Canada. There is not only the price dollar for dollar but there is also quality against quality.

The Canadian product was superior and would have been selected in each case to Japanese, dollar for dollar.

Q. So that if the goods in Japan had cost you only the amount of the duty and they were sold as against Canadian goods, the Canadian goods would sell first?

A. Yes, would sell first.

Q. Well, what was your experience then after 1935 - that was the situation you tell me down to the end of 1935?

A. End of 1935, yes. The new trade that Japan opened up was a market here in cheap quality of rayon goods. The merchandise was produced in Japan in very large quantities for world markets and which are sold in Japan exceedingly cheap due to the tremendous production in those particular lines.

Q. You say a cheap quality rayon goods - that is, what type of goods - Just describe them a little further?

A. It is artificial silk.

Q. A taffeta?

A. Taffeta made out of cheap rayon yarns.

... first is right.

Q. Not only equal to but you say equivalent to
you could not import it and sell in competition with

A. No, we could not sell

it even if we had not had to pay for the transportation

for this reason, that the goods that come from Japan

qualify for duty, and not as goods as was produced

in Canada. There is not only the price differential

dollar but there is also quality against quality.

The Canadian product was superior and would have been

selected in each case to Japanese, dollar for dollar

Q. So that if the goods in Japan had cost you

only the amount of the duty and they were sold as

... and quality would have been

... and quality would have been

A. Well, what was your experience then after

1955 - that was the situation you fell as down to

and of 1955? A. End of 1955, yes. The ne

trade that Japan opened up was a market here in

cheap quality of rayon goods. The merchandise

was produced in Japan in very large quantities

for world markets and which are sold in Japan excess

cheap due to the tremendous production in those

... lines.

A. You say a cheap quality rayon goods - that is

that type of goods - that describes them a little

... It is artificial silk.

... It is artificial silk.

8 Q. Well, is there a type of rayon sold in Canada or made in Canadian mills, rather, that is similar to this cheap quality of rayon goods? A. Yes, there is. There is a superior article made.

5 Q. A superior article? A. Yes, in the same type of merchandise.

Q. But I mean one that meets this very cheap market? A. No, there is not one made here to meet this very cheap market.

10 Q. I suppose this is a type of rayon that would go to poor people? A. Sold in low priced stores out in the ---

15 Q. Sold in low-priced stores where people with small budgets are compelled to shop? A. Yes, down in the Province of Quebec very largely, and out west very largely. It is not handled, for instance, by a store like the Robert Simpson Company, they refuse to handle it. A high-priced Department store in Toronto has refused to handle this particular type. It has been too low for the type of goods which they would sell in their store.

25 Q. I just want a little more about that. You have been trying to sell it to the big Departmental stores in Toronto and Montreal? A. We have, yes.

30 Q. What do you say as to the success you have had? A. We have had very little success in the big departmental stores in the big cities.

Q. Where do you sell it as a rule?

Q. Well, is there a type of rayon sold in Canada or made in Canadian mills, rather, that is similar to this rayon which is sold in the States?
A. Yes, in the States there is a superior article made.
Q. A superior article?
A. Yes, in the States of merchandise.
Q. But I mean one that meets this very cheap market?
A. No, there is not one made here to meet this very cheap market.
Q. I suppose this is a type of rayon that would go to poor people?
A. Sold in low priced stores out in the ---
Q. Sold in low-priced stores where people with small budgets are compelled to shop?
A. Yes, and down in the Province of Quebec very largely, and out west very largely. It is not handled, for instance, by a store like the Robert Simpson Company they refuse to handle it. A high-priced department store in Toronto has refused to handle this particular type. It has been too low for the type of goods which they would sell in their stores.
Q. I just want a little more about that.
A. You have been trying to sell it to the big departmental stores in Toronto and Montreal?
A. Yes.
Q. What do you say as to the success you have had?
A. We have had very little success in the big departmental stores in the big cities.

Q. Where do you sell it as a rule? A. We
sell it very largely out in the smaller country
stores, very largely in the Province of Quebec and
out in Winnipeg for distribution to the smaller towns
out in the West.

BY THE COMMISSIONER: Q. What is this? A. I
am still referring your lordship to cheap rayons.

Q. You mean, cheap Japanese rayons? A. Yes.

Q. MR. McRUER: We have on file here as Exhibit
148, a copy of a quotation that was sent by you
to W.L. Anderson & Company, of January 4th, 1936,
with quotations on 27-inch plain rayon and some
samples attached? A. That is right.

MR. McRUER: (To Mr. Berry): Were these Mr.
Fisher's samples, or samples that you got from some
place and attached them as comparable to his samples?
My recollection is we filed ---

THE COMMISSIONER: Well, Exhibit No. 148, that
is really a letter from Mr. Fisher to Mr. Anderson.
It is connected with Exhibit 417, which is a letter
from Fisher & Company with prices and samples.

MR. McRUER: Exhibit 417 is the one we want.
Mr. Berry tells me that those samples that are shown
on Exhibit 148 were bought in Eaton's and he does
not know whose they are.

Q. Do you know whether they were? A. They could
be ours, yes.

Q. Well, at any rate, it is this low priced

Q. Where do you sell it as a rule?
A. Very largely in the Province of Quebec and
out in shipping for distribution to the smaller
out in the West.
BY THE COURT: What is this? A. I
am still retaining your lordship to check reasons.
Q. Mr. McArthur: We have on file here an exhibit
145, a copy of a quotation that was sent by you
to W.L. Anderson & Company, of January 4th, 1935,
with quotations on 27-inch plain rayon and some
samples attached? A. That is right.
Q. Mr. McArthur: (To Mr. Berry): Were these Mr.
Whitner's samples, or samples that you got from
place and attached them as comparable to his?
A. My recollection is we filed ---
it is really a letter from Mr. Whistler to Mr. Anderson.
It is connected with exhibit 417, which is a letter
from Whistler & Company with prices and samples.
Q. Mr. McArthur: Exhibit 417 is the one we want.
A. Mr. Berry tells me that these samples that are on
exhibit 145 were bought in London's and he does
not know where they are.

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taffeta, 27-inch taffeta of this character that you are referring to that you have had sales in the small stores but have not been able to sell it in any volume through the Departmental stores?

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A. That is correct.

Q. Now, have your importations from Japan been very largely confined to that type of goods?

A. Almost exclusively to that type of goods.

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THE COMMISSIONER: During what period?

MR. McRUER: Q. Since January 1st, 1936?

A. This year, yes.

Q. And what has your volume of importations amounted to? A. In dollars?

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Q. Yes? A. In dollars about \$80,000

until now, for the first ---

Q. So that you are a long piece away from reaching the million dollars that you had in 19--- when was it you had that? A. Up until 1929.

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THE COMMISSIONER: For a series of years, he says? A. For an average of five years.

MR. McRUER: Q. So that you are the man that has intimidated the industry when you sent out the quotation? A. Well, we felt a little bit guilty there once.

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Q. Now, there is a letter here, we have original letter, Exhibit 417, which is a letter from you to Anderson with those quotations in which you are quoting this 27-inch plain rayon, etc. Did you

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--- until now, for the first ---

Mr. Monahan: I am not sure that the industry has been so much inhibited the industry when you look out the window and see a lot of little bit of it.

make any sales to Anderson? A. No, we did not.

5 Q. This is dated January 4, 1936, and there is a copy of a letter attached. "We are in receipt of your letter of the 4th inst. . ." Oh, this is about--they asked for samples and there is a sample, but nothing developed out of this quotation to Anderson? A. As far as I remember I do not think there was any business developed, no.

10 Q. You brought in some of this taffeta and sold some I believe of the earlier shipment to Brown Silk Company? A. Yes, I believe we did.

15 Q. Have you sold much to them since? A. No, we have not.

Q. Did not get a repeat order on that? A. Not on that line, no.

20 Q. Just got the one order from the Brown Silk Company? A. Yes.

Q. Why dont you import more goods from Japan--are you trying to sell Japanese goods? A. We are.

25 Q. Why dont you sell some of those other lines, more expensive ones? A. Well, we are immediately running into difficulty on the higher lines because of the high duty. It is only on the very lowest type of rayon that competition is possible against the Canadian mills.

30 Q. And then the fabric you are selling is a lower

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Kell

not.

Q. This is dated January 4, 1933, and there
a copy of a letter attached. We are in receipt

of your letter of the 1st of January, 1933, and

about--they asked for samples and there is a sample
but nothing developed out of this quotation to

Anderson? A. As far as I remember I do

think there was any business developed, no.

Q. You brought in some of this fabric and

some I believe of the earlier shipment to Brown

Milk Company? A. Yes, I believe we did.

Q. Have you sold much to them since? A.

No, we have not.

Q. Did not get a repeat order on that? A.

on that line, no.

Q. Just got the one order from the Brown Milk

Company? A. Yes.

Q. Why don't you import more goods from Japan

you trying to sell Japanese goods? A. We

are.

Q. Why don't you sell some of those other lines

more expensive ones? A. Well, we are

immediately running into difficulty on the higher

lines because of the high duty. It is only

the very lowest type of rayon that competition

possible against the Canadian mills.

Q. And then the fabric you are selling is a

grade fabric than is produced in Canadian mills,
as I understand it? A. Yes.

Q. Which apparently meets a demand from poorer
people who cannot afford to pay for the more ex-
pensive fabrics that Canadian mills are producing?

A. Yes, that is the situation.

Q. That is your market for what you are able to
import? A. That seems to be the only market
now.

Q. And you say the Customs tariff that prevails
at the present time is sufficient that you are un-
able to meet the competition with the Canadian mills
in the importation of other lines? A.
In the better lines.

CROSS-EXAMINATION BY MR. KELLOCK:

Q. You are not Mr. Fisher? A. I am Mr.
Kehl.

MR. KELLOCK: Where is Mr. Fisher?

THE COMMISSIONER: I have sworn in Mr. Albert
Fisher--what is your name? A. I spelt it
for you.

THE COMMISSIONER: I thought you were Mr.
Albert Kehl Fisher.

MR. KELLOCK: Q. How did you come to get
into the witness box? A. Because I am the
executive that looks after the Japanese business.

Q. Did Mr. Fisher send you over? A. Mr.

Table then is produced in Canadian mills,

Q. I understand it? A. Yes.

Q. Which a presently means a demand from people

people who cannot afford to pay for the more ex-

ensive tariffs that Canadian mills are producing?

A. Yes, that is the situation.

Q. That is your market for what you are able to

import? A. That seems to be the only market

now.

Q. And you say the Customs tariff that prevails

at the present time is sufficient that you are un-

able to meet the competition with the Canadian mill

in the importation of other lines? A.

In the better lines.

THE COMMISSIONER OF CUSTOMS

Q. Now, Mr. Commissioner, I am going to ask you

MR. KELLER: Where is Mr. Fisher?

THE COMMISSIONER: I have sworn in Mr. Alfred

Fisher--what is your name? A. I repeat it

for you.

THE COMMISSIONER: I cannot find your name.

MR. KELLER: Please.

MR. KELLER: How did you come to get

into the witness box? A. Because I am the

executive test before after the Japanese business.

Q. Did Mr. Fisher send you over? A. Yes.

Fisher is out of town.

Q. Did Mr. Fisher send you over? A. Mr. Fisher asked me to look after this.

Q. When did Mr. Fisher leave town? A. On the week end.

Q. You mean last Saturday? A. Yes.

Q. Where is he? A. In Montreal.

Q. Not back yet? A. Back in the morning.

Q. Would be back tomorrow morning? A. Yes.

Q. Mr. Fisher knew he was to give evidence before he left?

MR. McRUER: No. There is no use of sort of libelling Mr. Fisher. I don't know the man, never saw him. You are putting it to him as though Mr. Fisher ran away. All we asked was that A. B. Fisher Company send somebody that could give us the facts in connection with their Japanese business and I thought when I saw this gentleman he was Mr. Fisher.

MR. KELLOCK: So did I, but when the matter was raised in Montreal it was understood that Mr. Fisher would be here.

MR. McRUER: No, nothing of the kind.

THE COMMISSIONER: Do you feel we ought to have Mr. Fisher? It is a company you know. What is the name of the Company? A. A. B. Fisher and Company.

Fisher is out of town.

Q. Did Mr. Fisher send you over?

A. Fisher asked me to look after this.

week end.

Q. You mean last Saturday?

A. Yes, there is he?

Q. Would he be back tomorrow morning?

A. Mr. Fisher knew he was to give evidence but he left?

Q. No. There is no use of sort of libelling Mr. Fisher. I don't know the man, never

see him. You are putting it to him as though Mr. Fisher ran away. All we asked was that

A. B. Fisher Company send somebody that could give us the facts in connection with their Japanese

business and I thought when I saw this gentleman was Mr. Fisher.

MR. KELLER: So did I, but when the matter was raised in court it was withdrawn and Mr.

Fisher would be here.

MR. MORROW: No, nothing of the kind.

THE COMMISSIONER: Do you feel we ought to

Mr. Fisher? It is a company you know. That is the name of the company? A. A. B. Fisher and

THE COMMISSIONER: This gentleman says he is an executive in charge of the Japanese business in that Company. If you are not satisfied with him let me know.

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MR. KELLOCK: I will try to be satisfied.

Q. You have been with Fisher & Company for how long? A. Since 1908, 28 years.

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Q. And what agencies have you at the present time? A. Cooper of Kobe, Japan; John Eastcoat of London, England.

Q. Who are they? A. They are manufacturers of nets and veillings, that is lace. We have Neff & Co of Switzerland.

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Q. What line are they in? A. They are in Swiss cotton goods. Barkin & Co of Nottingham, England.

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Q. What line are they in? A. They are Nottingham laces. We have Henry McTeer of Belfast, Ireland. They are Irish handkerchiefs. And at the moment we have not got a Canadian mill but we expect to have one again. We do not represent a Canadian mill at this moment.

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Q. How long has that been true? A. That is only since the first of May of this year.

Q. Before that you used to represent--? A. We represented always Canadian mills.

30

Q. Since the 1st of May you have discontinued that representation? A. Yes.

THE CHAIRMAN: This gentleman says he is
an executive in charge of the Japanese business in
that country. If you are not satisfied with his
let me know.
MR. KILGORE: I will try to be satisfied.
You have been with Fisher & Company for
long? A. Since 1908, 13 years.
And what agencies have you at the present
A. Cooper of Kobe, Japan; John Hancock of London
and what are they? A. They are manufacturers
of hats and veils, that is all. We have built
Co of Switzerland.
What line are they in? A. They are
Swiss cotton goods. Franklin & Co of Nottingham,
England.
What line are they in? A. They are
Nottingham lace. We have Henry Potter of Bell
England. They are Irish handkerchiefs. And
the moment we have not got a Canadian mill but we
expect to have one again. We do not represent
Canadian mill at this moment.
How long has that been true? A. That
only since the first of May of this year.
Before that you used to represent--?
I since the last of May you have discontinued the
A. Yes.

MR. McRUER: Q. Was it cut off or did you just
discontinue voluntarily? A. They asked us that
we accept half the commission rate that they had paid
us up to that time and their commission left to us
was less than our overhead would be, so that we decided
we would not run it on that basis.

MR. KELLOCK: Q. What kind of product was that
Canadian mill dealing in? A. Silk.

Q. And they would be natural silks or artificial
silks, or both? A. Both.

Q. And it was since the change in the duty
on the artificial and raw silk that they asked you
to take a cut in the commission? A. Since the
1st of May.

Q. Now, Cooper & Company in Japan, they are a
Japanese house? A. They are an English concern,
head office in London, England, with their exporting
branch in Kobe, Japan.

Q. Yes, you represent the Japanese branch? A.
We only work with Kobe.

Q. And they are exporters from Japan?

A. Yes.

Q. All largely of artificial silk? A. Ar-
tificial silk and silks and every kind of drygoods
that is exported out of Japan.

Q. And insofar as your Cooper Agency is concerned
what line are you interested in in importing into
Canada? A. We are chiefly interested in

MR. McNEUR: Q. Was it cut off or did you just
discontinue voluntarily?
A. The asked us to
we accept half the commission rate that they had
us up to that time and their commission left to us
was less than our overhead would be, so that we do
we would not run it on that basis.
MR. KELLER: Q. What kind of product was that
Canadian mill dealing in?
A. Silk.
Q. And they would be natural silk or artificial
silk, or both?
A. Both.
Q. And it was since the change in the duty
on the artificial and raw silk that they asked you
to take a cut in the commission?
A. Since the
last of May.
Q. Now, Cooper & Company in Japan, they are a
Japanese house?
A. They are an English concern
head office in London, England, with their export
branch in Kobe, Japan.
Q. Yes, you represent the Japanese branch?
A. We only work with Kobe.
Q. And they are exporters from Japan?
A. Yes.
Q. And insofar as your Cooper Agency is concerned
that line are you interested in in importing into
Canada?
A. We are chiefly interested in

textiles.

Q. I am only speaking of textiles. Are you interested in anything but silk or artificial silk from Cooper and Company? A. In the form of textiles?

5 Q. Yes? A. Silk and artificial silk and cottons slightly.

Q. And your agencies that you now have are they just the same in 1935 and with the addition of the Canadian mill you mention? A. Just the same.

10 Q. And before the 1st of this year, ~~has~~ you told his Lordship, there was not very much Japanese business for you to do in silk and artificial silk? A. That is correct.

15 Q. The demand was being supplied by the Canadian producers? A. Very largely is.

Q. And then the new situation since the first of the year has opened up the prospect of largely increased business with Japan in silks and artificial silks - that is correct? A. I would say no, and in silk and in artificial silk only in the line of goods that actually is not produced here.

20 Q. How many warehouses has Fisher & Company in Toronto? A. One warehouse.

25 Q. And that is where? A. At 147 Spadina Avenue.

Q. And how much space have you there? A. We have 5,600 feet.

30 Q. How long have you had that warehouse?

I am only speaking of textiles. Are you later
in anything but silk or artificial silk from Cooper

Yes? A. Silk and artificial silk and
cottons slightly.

Q. And your agencies that you now have are they
just the same in 1933 and with the addition of the
Canadian mill you mention? A. Just the same.

Q. And before the 1st of this year, 1933 you
business for you to do in silk and artificial silk?
A. That is correct.

Q. The demand was being supplied by the Canadian
producers? A. Very largely is.

Q. And then the new situation since the first
of the year has opened up the prospect of largely
increased business with Japan in silk and artificial
silk - that is correct? A. I would say

no, and in silk and in artificial silk only in the
line of goods that actually is not produced here.

Q. How many warehouses has Fisher & Company in
Toronto? A. One warehouse.

Q. And that is where? A. At 147 Spadina

How long have you had that warehouse?

A. Since the 1st of March, I believe.

Q. When did you make the arrangements for the lease?
A. I believe in February.

Q. You took possession on the 1st of March?

A. I believe that is correct. It might have been April.

Q. Are you sure you did not negotiate the new lease when you got wind of the change in the trade situation between Japan and Canada?
A. Not until later.

Q. Well, how much later?

BY THE COMMISSIONER: Q. You said new lease - had there been an old one?
A. We had an old lease at a different place.

MR. KELLOCK: The question I put was ---

THE COMMISSIONER: You got him to tell me they now have a warehouse which they have been occupying since the 1st of March and which they negotiated about February. If they had another warehouse before that you should have told me.

MR. KELLOCK: What I want to find out from the witness is whether he did not negotiate for this new warehouse before February of this year.

Q. Now, did not you?
A. In February, I believe. Negotiations started for the new warehouse, yes.

Q. Did not you start to look around for this new and larger warehouse when the new situation as far as Japanese trade came up?
A. No, not at all,

Q. When did you make the arrangements for the

A. I believe in February.

Q. You took possession on the 1st of March?

A. I believe that is correct. It might have been

April.

Q. Are you sure you did not negotiate the new

when you got word of the change in the trade situa-

between Japan and Canada?

A. Well, how much later?

Q. You said new forces

had there been an old one?

old lease at a different place.

MR. BRYDIE: The question I put was --

THE COMMISSIONER: You got him to tell me that

now have a warehouse which they have been occupying

since the 1st of March and which they negotiated

about February. If they had another warehouse

before that you should have told me.

MR. BRYDIE: That I want to find out from the

witness is whether he did not negotiate for this

and whether he had any other business at that time.

A. No, did not you?

believe. Negotiations started for the new warehouse

yes.

Q. Did not you start to look around for this

and other warehouses when the new situation as far

as business there came up? A. No, not at all.

not immediately.

5 Q. If not immediately, shortly after? A. After the Treaty was signed and after the first shipments started to come in and we were sure of the interpretation of the new Treaty by the Canadian Customs.

Q. Well, the new warehouse was to take care of the new shipments coming in from Japan under the new Treaty? A. We needed more space, quite.

10 Q. And your old warehouse was where? A. 119 Spadina.

Q. What was the space you had there? A. 3,000.

15 Q. So that you increased your space by about 2500 square feet? A. That is right.

Q. When did you have your first shipment here in Canada? A. Our first shipment arrived here about February 1st,

20 BY THE COMMISSIONER: Q. You are talking of this year? A. Of this year, yes.

MR. KELLOCK: Q. The first shipment arrived here about February 1st? A. Yes.

25 Q. When you sent out Exhibit 417 had you any goods in Canada?

MR. McRUER: January 4th, 1936.

MR. KELLOCK: Q. Yes, January 4th, 1936?

A. We had goods in stock that came in previously, yes.

30 Q. From Japan? A. Yes.

Q. In bond? A. There might be some in bond, might have had it in stock, I am not sure.

not immediately.

A. If not immediately, shortly after?

The Treaty was signed and after the first shipment

started to come in and we were some of the inter-

pretation of the new Treaty by the Canadian Customs

Q. Well, the new warehouse was to take care of

new shipments coming in from Japan under the new

Treaty? A. We needed more space, quite.

Q. And your old warehouse was where? A. 113

Adelaide.

Q. What was the space you had there? A. 8,000

Q. So that you increased your space by about

2200 square feet? A. That is right.

Q. When did you have your first shipment there

in Canada? A. Our first shipment arrived

here about February 1st.

BY THE COURT: Q. You are talking of the

year? A. Of this year, yes.

MR. KILLOCK: Q. The first shipment arrived

here about February 1st? A. Yes.

Q. When you sent out Exhibit A? Had you any

goods in Canada?

MR. KILLOCK: A. Yes, January 4th, 1900.

MR. KILLOCK: Q. Yes, January 4th, 1900.

A. We had goods in stock that came in previously.

Q. From Japan? A. Yes.

Q. In bond? A. There might be some in

bond, might have had it in stock, I am not sure.

Q. When did you have those first goods in here that you proposed selling on the new basis under the new Treaty? A. About February 1st.

5 Q. I thought you said you had some before February 1st? A. No. I mean we had some goods in stock, goods that were cleared before January 1st.

Q. When were they cleared? A. Oh, I suppose October, November, maybe - I am not absolutely sure on that.

10 Q. Were those goods that had been cleared about the time of the change in the situation of the Treaty?

A. What type of goods are you referring to?

15 Q. I am speaking of the type of goods you are referring to? A. Any type of goods?

Q. Japanese silks and artificial silks?

A. There are some goods being passed right up to the end of the year. Some goods are being passed all the time. I mean, business does not stop at the end of a year.

20 Q. You did not have as much business in 1935?

A. No, we did not have much.

25 Q. I am asking you when you sent out Exhibit 417, quoting prices, did you have a stock at that time of the goods you were quoting prices on?

A. We did not have in stock.

Q. Did not have any at all? A. No.

30 Q. But you did have stocks of Japanese goods?

A. Of a low type of Japanese goods, yes.

Q. When did you have those first goods in hand?
A. That you proposed selling on the new basis under the
new Treaty? A. About February 1st.
Q. I thought you said you had some before February 1st?
A. No. I mean we had some goods
in stock, goods that were cleared before January 1st.
Q. When were they cleared?
A. Oh, I
suppose October, November, maybe - I am not absolutely
sure of that.
Q. Were those goods that had been cleared about
the time of the change in the situation of the Treaty?
A. What type of goods are you referring to?
Q. I am speaking of the type of goods you are
referring to?
A. Any type of goods?
Q. Japanese silk and artificial silk?
A. There are some goods being passed right up to
the end of the year.
Q. Some goods are being
passed all the time. I mean, business goes
stop at the end of a year.
Q. You did not have as much business in 1938?
A. No, we did not have much.
Q. I am asking you when you sent out Exhibit
A17, quoting prices, did you have a stock at that
time of the goods you were quoting prices on?
A. We did not have in stock.
Q. Did not have any at all?
A. No.
Q. But you did have stocks of Japanese goods?
A. Yes, for type of Japanese goods, yes.

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Q. What types? A. Fugi, pongee, spun crepes,

Q. Those are all natural silks? A. Yes.

Q. Anything else? A. We have I think

5 some 36-inch brocaded rayon and some 36-inch brocaded rayon satins.

Q. I want to go back for a moment. The previous warehouse that you had, that was the Balfour Building? A. Yes.

10 Q. Is your lease up now? A. No, we unfortunately have not been able to find a new tenant. We had a lease there until the 1st of May of next year.

Q. That is 1937? A. Yes, sir.

15 Q. You are still paying rent for your old warehouse? A. Yes.

Q. Are you occupying it too? A. No.

Q. You needed the new space pretty badly? A. We needed more space, yes.

20 Q. Now, can you tell his lordship what stocks of Japanese goods you have on hand at the moment?

A. In types of merchandise?

Q. Yes, that is textile merchandise, particularly silks and rayons? A. In silks we have

25 habitaes, that is called this cheap silk. We have pongee, fugi, spun crepes, crepe de chene. In artificial silk we have starting from 37-inch rayon plain and brocaded; 36-inch rayon plain and brocaded; 36-inch rayon satin, plain and brocaded. We have
30 cotton and rayon mixture fabrics. I think that

Q. What types? A. Fugl, pongee, spun crepe.

Q. These are all natural silks? A. Yes.

Q. Anything else? A. I have I think

some 100-inch processed rayon and some 80-inch pro-

Q. I want to go back for a moment. The pro-

warehouse that you had, that was the Cotton Ball

A. Yes.

Q. Is your lease up now? A. No, no.

Q. Unfortunatly have not been able to find a new

le had a lease there until the 1st of May of next

Q. That is 1937? A. Yes, sir.

Q. You are still paying rent for your old wa-

Q. And you occupying it too? A. No.

Q. You needed the new space pretty badly?

Q. He needed more space, yes.

Q. Now, can you tell his forship what stock-

of Japanese goods you have on hand at the moment?

Q. In types of merchandise?

Q. Yes, that is textile merchandise, particu-

Q. In silks and rayons? A. In silks we have

rayons, that is called this cheap silk. We have

pongee, fugl, spun crepe, crepe de chene. In

artificial silk we have starting from 80-inch ray-

Q. And rayon? A. Rayon and processed. We have

rayon and rayon on mixture fabrics. I think that

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Q. These are all brought in since 1936?

A. I would not like to say that, some of those goods may have been in stock on the 1st of the year.

5 Q. What proportion would have been in stock at the first of the year? A. Why, there is always some goods selling slower than others.

10 Q. You see what I am asking you. I am asking you what proportion of the goods you just told his lordship you had in stock were on hand at the first of the year? A. Oh, I would say about 10 or 15%.

Q. So that at least 85% you have brought in from the 1st of January? A. Yes, sir.

15 Q. And are you selling them? A. Selling them. As I say, the sales are a little better than they were, yes.

20 Q. Are you telling his Lordship that from the first of January the only things you sold are the Japanese rayons? A. I did not make that statement. I make the statement that the cheaper rayons are a line, just opened the field since the 1st of the year. That is an addition to the lines that we have up to that time.

25 Q. Exactly, as you put it, the cheaper rayons that opened the field? A. Have opened a new field.

30 Q. You are selling other varieties of goods? A. Yes.

Q. A little? A. Yes.

Q. These are all brought in since 1905?

A. I would not like to say that, some of those may have been in stock on the 1st of the year.

Q. That proportion would have been in stock at the first of the year?
A. Yes, some of them, some goods selling slower than others.

Q. You see what I am asking you, I am asking you what proportion of the goods you just told me for that year you had in stock when on hand at the first of the year?
A. Oh, I would say about 10 per cent.

Q. So that at least 80 per cent you have brought in from the 1st of January?
A. Yes, sir.

Q. And are you selling them?
A. Selling, as I say, the sales are a little better than they were, yes.

Q. Now you tell me, roughly, that the first of January the only things you sold are the things that were in stock at that time?
A. I did not mean that at

all. I mean the statement that the cheaper things are a line, just opened the field since the 1st of January. That is an addition to the lines that we have up to that time.

Q. Exactly, as you put it, the cheaper things that opened the field?
A. Have opened a

Q. You are selling other varieties of goods

Q. I want to ask you if you will furnish this Commission with samples of all types of goods that you have in stock at the moment or that you have sold since the 1st of January, 1936, and the prices.

5 A. Yes, we have no objections at all.

MR. McRUER: And the quantities that you have been able to sell?

10 MR. KELLOCK: Q. Yes, the quantities you have been able to sell and the amount of your sales in each. We want the yardage and the values? A. You want the selling price in dollars and cents to the Canadian trade, to the trade in Canada? Not the \$80,000 import value?

15 Q. I would like to have if you would be good enough samples of those materials, the prices at which you have sold them to the Canadian trade, the quantities that you have sold both in yards, and in money value?

20 A. Yes.

Q. Now, referring to Exhibit 417 that was a letter that you sent not only to Anderson but you broadcasted from Coast to Coast? A. About 20 customers, 20 wholesale houses.

25 Q. 20 wholesale houses? A. Some in Vancouver, some in Winnipeg.

Q. All the way across the country? A. Only at the big points, yes.

30 Q. They went all the way across the country?

A. Yes.

I want to ask you if you will furnish this
Commission with samples of all types of goods that
you have in stock at the moment or that you have
since the 1st of January, 1935, and the prices.
A. Yes, we have no objections at all.

MR. MONTGOMERY: And the quantities that you have
able to sell?

MR. MONTGOMERY: Yes, the quantities you have
able to sell and the amount of your sales in each.
We want the yardage and the values?

A. Yes.
We want the selling price in dollars and cents to the
Canadian trade, to the trade in Canada?
\$80,000 import values?

A. I would like to have if you would be good and
samples of those materials, the prices at which you
have sold them to the Canadian trade, the quantities
that you have sold both in yards, and in money value.
A. Yes.

A. Now, referring to Exhibit 127 that was a list
that you sent not only to Anderson but you produced
from 1931 to 1935?
A. About 10 customers,
20 wholesale houses.

A. 10 wholesale houses?
A. Some in
Vancouver, some in Winnipeg.
A. All the way across the country?
A. Only
at the big points, yes.

Q. And you say in that letter, after quoting on this 27-inch rayon goods: "We would be glad to hear from you if interested in the above or any other items in Japanese textiles, as we are well equipped to take care of this business." Now, how well were you equipped to take care of Japanese business? A. We have received samples from Japan during all these years when imports were prohibitive and I believe that we were the only firm or the Coopers were the only people who kept on sending samples and supplying us with material which we might be able to work at some day in the future. We had all these quotations, these samples on hand and we were in a position to obtain quotations by cable on any of these lines provided any of them were of interest.

Q. I suppose you still have those samples?

A. We have mountains of them.

Q. Had you them at the first of the year?

A. We still have them.

Q. Could we have these samples that you had at the first of the year? and prices you were prepared to quote? A. Prices I could not tell you. We are not interested in prices until someone is interested in an article and the prices are only good for the day they are quoted.

Q. What you mean is that on the 1st of January you had samples covering a wide range of goods,

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And you say in that letter, after quoting
on this 87-inch rayon goods: "We would be glad to
hear from you if interested in the above or any
other items in Japanese textiles, as we are well
equipped to take care of this business." Now, how
well were you equipped to take care of Japanese busi-
ness? A. We have received samples from Japan
during all these years when imports were prohibitive
and I believe that we were the only firm or the
Coopers were the only people who kept on sending
samples and supplying us with material which we did
be able to work at some day in the future. We had
all these quotations, these samples on hand and we
were in a position to obtain quotations by cable
on any of these lines provided any of them
were of interest.
A. I suppose you still have those samples?
A. We have mountains of them.
A. Had you them at the first of the year?
A. We still have them.
Q. Could we have those samples that you had at
the first of the year? and prices you were prepared
to quote? A. Prices I could not tell you.
We are not interested in prices until someone is
interested in an article and the prices are only given
for the day they are quoted.
A. What you mean is that on the 1st of January
you had samples covering a wide range of goods,

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you would go around to the customers and get them to make you an offer, is that it? A. No.

Q. What do you mean? A. We have samples on record there and an inquiry comes along for a certain line. Well, we may have something like it.

Q. You do not only wait for inquiry. That staff of salesmen have you got? A. Oh, we have three city salesmen including Mr. Fisher, and I am a local office man and---

Q. How many others? A. We have a sub-agent in Montreal, sub-agent in Winnipeg and a sub-agent in Vancouver and an Ontario traveller.

Q. What staff of sales force would you have in 1934? A. Just the same.

Q. You have not increased your staff. You have got the same staff now that you had during the calendar year 1935? A. Yes, just the same.

Q. Well then, you did have samples at the first of the year on a wide range of Japanese goods and were in a position to quote them? A. We were in a position to obtain quotations on them. We were not able to quote on anything but we were in a position to obtain quotations, and I would cable to Cooper & Company and get the prices.

Q. And did you do that in many cases?

A. Yes, we did.

Q. Well then, will you let us have the samples of what you had at the first of the year and any

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you would go around to the customers and get them
to make you an offer, is that it?

What do you mean?
on record there and an inquiry comes along for a
certain line. Well, we may have something in

You do not only wait for inquiry. What if
of salesmen have you got?
city salesmen including Mr. Fisher, and I am a lot
office men and--

How many others?
agent in Montreal, sub-agent in Winnipeg and a sub-
agent in Vancouver and an Ontario traveller.

What staff of sales force would you have
1934? A. Just the same.

You have not increased your staff. You
have got the same staff now that you had during the
calendar year 1935? A. Yes, just the same.

Well then, you did have samples at the first
of the year on a wide range of Japanese goods
and were in a position to move them? A. We were
in a position to obtain quotations on them. We
were not able to close on anything but we were in
a position to obtain quotations, and I would apply
to Cooper & Company and get the price.

And did you do that in many cases?
A. Yes, we did.

Well then, will you let us have the samples
that you had at the first of the year and any

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quotations which you made during, say, January, February, and March, 1936 - will you do that?

A. Yes.

5 MR. McRUER: I understood him to say there were mountains of them.

MR. KELLOCK: No, he said mountains---

MR. McRUER: He wants samples that you had at the 1st of the year.

10 THE WITNESS: That is impossible. This gentleman will have to come down and look at them. There are hundreds of samples fit for the West, they would not be of any use to the Canadian market.

15 MR. KELLOCK: Q. What I want is one sample of a type of goods, not necessarily any differences in patterns, because your prices for a type of goods would be more or less representative for that type, would not it, notwithstanding difference in patterns?

20 A. No, each sample would represent a type.

Q. Well then, if what you say that at the beginning of this year you had mountains of goods?

A. No, ---

25 Q. Samples, all types of goods, - how many different kind of goods would this mountain be composed of? A. Oh, thousands, maybe two thousands.

30 Q. So that you were in a position on the 1st of January to take orders for the thousand or two thousand types of materials which you had samples

quotations which you made during, say, January,
February, and March, 1936 - will you do that?

MR. KELLER: I understood him to say there were
mountains of them.

MR. KELLER: No, he said mountains---

MR. KELLER: He wants samples that you had at
the last of the year.

THE WITNESS: That is impossible. This gentleman
will have to come down and look at them. There
are hundreds of samples fit for the test, they
would not be of any use to the Canadian market.

MR. KELLER: What I want is one sample of
a type of goods, not necessarily any differences
in patterns, because your prices for a type of goods
would be more or less representative for that type.
I would not it, notwithstanding difference in pattern.
No, each sample would represent a type.

Q. Well then, if what you say that at the
beginning of this year you had mountains of goods?

A. Samples, all types of goods, - how many
different kind of goods would this mountain be

Q. Well, then, if what you say that at the
beginning of this year you had mountains of goods?

A. Go back you were in a position on the first of
January to take orders for the thousand or two
thousand types of materials which you had samples

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for at that time? A. If we found parties interested, yes.

Q. You were going to give us the story of the customers that you did find interested? A. We did not find any customers interested.

Q. In the material which you are going to file here of your sales you are going to give us that story.

MR. McRUER: You do not want the names of the customers?

MR. KELLOCK: I do not want the names of the customers.

Q. In bringing in these Japanese goods from Japan, do you bring them in on consignment? A. Very largely.

Q. That is, the bulk of your business is on consignment? A. Very largely.

Q. And that means that you bring the material in before you have sold it? A. Yes, that is correct.

Q. That is, before the material got here to Canada, before you sell it? A. Yes, that is right.

Q. And you have brought in a good many more types of material than this this cheap 27-inch taffeta? A. Not since the 1st of the year, no.

Q. You have brought in different types of material since the 1st of January? A. We have certain lines of merchandise that we are running from year to year. They do not change. We

Kenil 2012

Q. It is found parties interested, yes.

A. You were going to give us the story of the

customers that you did find interested?

A. I did not find any customers interested.

Q. In the material which you are going to fill

here of your sales you are going to give us that

MR. MORRIS: You do not want the names of the

customers?

MR. KELLOCK: I do not want the names of the

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Q. That is, the bulk of your business is on con-

signments? A. Very largely.

Q. And that means that you bring the material

in before you have sold it? A. Yes, that is

Q. That is, before the material got here to be

Q. And you keep it in a stock room here?

of material than this this cheap 27-inch tailors

A. Not since the 1st of the year, no.

Q. You have brought in different types

of material since the 1st of January? A. We

certain lines of merchandise that we are running

Q. And you are not running

just keep on getting new shipments, sell our stock, get new shipments, The type of merchandise we have not changed very materially with the exception of this type of fabrics I have already mentioned.

5

Q. That is not the question I asked you. I understood you to answer the question before, that since the first of January you have brought in a good many types of material other than the cheap taffetas?

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A. I have not said that.

Q. What do you say? A. I say that since the first of the year ---

Q. Well, ---

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MR. McRUER: Let him answer.

MR. KELLOCK: Q. Have your importations since the 1st of January consisted of other materials than the cheap taffetas? A. Hardly any new lines have been brought in since the 1st of the year.

20

Q. I did not ask you that? A. I don't think there is any new line.

25

Q. I did not ask you anything about new line. I am asking you a simple question: Since the 1st of January of this year your importations from Japan have included materials other than the cheaper taffeta? A. I think more materials ---

30

Q. I did not ask you that. I have asked you any new line that you added? A. Additional to the ones we have had before?

BY THE COMMISSIONER: You told us all about this

just keep on getting new shipments, sell our stock,
get new shipments. The type of merchandise we have
not changed very materially with the exception of
the year 1913.

Q. That is not the question I asked you. I
understood you to answer the question before, that
since the first of January you have brought in a good
many more materials than you have in 1913.

A. I have not said that.
Q. What do you say?
A. I say that since
the first of the year --

MR. MOULTON: Let him answer.
MR. ELLISON: Q. Have your importations since the
1st of January consisted of other materials than
the same materials?

A. I have not said that.
Q. I did not ask you that?
A. I did not say that.
Q. I did not ask you anything about new line.
I asked you a simple question. Have you had

of January of this year your importations from Japan
have included materials other than the cheaper
materials?

A. I think more materials --
Q. I did not ask you that. I have asked you
any new line that you added?

Q. I did not ask you that. I have asked you
any new line that you added?

cheap material that you got orders for and that you
sold in the West of Canada and province of Quebec
and could not sell in the big stores. Now, beside
that material have you anything else of a higher
5 quality - that is what you want to know?

MR. KELLOCK: Yes.

THE COMMISSIONER: Q. Have you brought in anything
else of a higher quality since the 1st of January?

10 A. Two or three additional numbers.

MR. KELLOCK: Q. Additional to what? A. To
these cheap rayon fabrics.

Q. Is this what you are saying: that since the
1st of January of this year you have brought in cheap
15 taffetas and two or three other materials?

A. Yes, and also cheap rayon fabrics.

Q. Well, the 27-inch taffeta is a cheap
rayon fabric? A. That is right; and then there
is 36-inch rayon satin. We have had that before.

20 Q. What do you call cheap rayon fabric - 27-inch
and 36-inch? A. Yes.

Q. And what else? A. And the cheap satin.

25 Q. How do you describe that? A. Plain rayon
satin.

Q. What width? A. 36-inch.

Q. Now, in addition to these you have brought
in other material since the 1st of January.

30 THE COMMISSIONER: Of a higher type?

MR. KELLOCK: Yes, of a higher type.

cheap material that you got orders for and that you
sold in the West of Canada and provinces of Quebec
and could not sell in the big towns. Now, besides
that material have you anything else of a higher
quality - that is what you want to know?

MR. KELLICK: Yes.

THE COMMISSIONER: Have you brought in any
else of a higher quality since the 1st of January?
A. Two or three additional numbers.

MR. KELLICK: Additional to what? A. To
what I have already mentioned.

THE COMMISSIONER: Is this what you are saying; that since the
1st of January of this year you have brought in an
additional two or three other materials?

A. Yes, and also cheap rayon fabrics.

THE COMMISSIONER: Well, the 27-inch taffeta is a cheap

rayon fabric? A. That is right; and then there

is 36-inch rayon satin. We have had that before.

THE COMMISSIONER: What do you call cheap rayon fabric - 27-inch

and 36-inch? A. Yes.

THE COMMISSIONER: And that also? A. And the cheap ray

on. How do you describe that? A. Plain rayon

satin.

THE COMMISSIONER: What width? A. 36-inch.

THE COMMISSIONER: Now, in addition to these you have brought

other material since the 1st of January.

THE COMMISSIONER: Of a higher type?

MR. KELLICK: Yes, of a higher type.

THE WITNESS: No, I do not think there is any-
thing else.

Q. You have not? A. No.

Q. Well then, it will be covered in this that
in what you are going to get and furnish the Com-
mission is a sample of your stock at the moment and
a sample of all materials you have sold since the
1st of January or prior to that, for delivery since
the 1st of January with the prices, the yards and
quantities? A. All right.

-- Adjourned at 4.05 P.M. for recess.

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Ref

THE ATWELL: No, I do not think there is any-

.. You have not? .. No.

Q. Well then, it will be covered in this time

in what you are going to get and furnish the com-

mission is a sample of your stock at the moment and

a sample of all materials you have sold since the

last of January or prior to that, for delivery since

the last of January with the prices, the yards and

quantities? .. All right.

-- adjourned at 4.05 P.M. for recess.

(See next page)

-- On resuming:

BY MR. KELLOCK: Q. Mr. Kehl, you said the bulk of your importations were on consignment? A. That is right.

Q. So that the bulk of your sales then, I suppose, are from your stock after you bring it in? A. From stock in Toronto, yes.

Q. Is there any advantage in bringing in goods on consignment rather than bringing them in after you have made the sale, from the standpoint of the duty that you pay, I mean? A. There may be a slight advantage, yes.

. That is, it is cheaper to bring them in on consignment; how does that work out, why is that?

A. Well, goods brought in on consignment are not subject to dumping.

BY THE COMMISSIONER: Q. Are not what?

A. Are not subject to dump duty, because they are not sold prior to shipment from Japan.

BY MR. KELLOCK: Q. So you can get away from the dump duty altogether by bringing them in on consignment? A. That is right.

BY THE COMMISSIONER: Q. What dumping duty are you referring to?

BY MR. KELLOCK: Q. Do you mean the currency dumping duty? A. That is correct.

Q. Are you sure you mean the currency dumping duty? A. Yes.

BY MR. KELLICK: Q. Mr. Kell, you said the bulk
of your importations were on consignment? A. Yes,
is right.
Q. So that the bulk of your sales there, I
suppose, are from your stock after you bring it in
from stock in Toronto, yes.
Q. Is there any revenue in bringing in goods
on consignment rather than bringing them in after
you have made the sale, from the standpoint of the
duty that you pay, I mean? A. There may be
a slight advantage, yes.
Q. That is, it is cheaper to bring them in on
consignment; how does that work out, why is that?
A. Well, goods brought in on consignment are not
subject to duty.
BY THE COMMISSIONER: Q. Are not wheat?
A. Are not subject to duty duty, because they are not
brought prior to shipment from Japan.
BY MR. KELLICK: Q. So you can get away from
the duty duty altogether by bringing them in on
consignment? A. That is right.
BY THE COMMISSIONER: Q. What duty duty are
you referring to?
BY MR. KELLICK: Q. Do you mean the currency duty
and duty? A. That is correct.
Q. Are you sure you mean the currency duty

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4. So that you find, in your experience, in bringing in goods from Japan that if you bring them in on consignment you do not have to pay the currency dumping duty? A. Do I have to answer that?

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MR. KELLOCK: Yes.

THE COMMISSIONER: Of course you have to answer.

THE WITNESS: That is correct.

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BY MR. KELLOCK: Q. So you have been able to bring in whatever goods you have brought in on consignment and not pay any currency dumping duty at all?

A. That is correct.

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Q. So it pays you to bring your goods in that way?

BY THE COMMISSIONER: Q. You heard the question Mr. Kellock asked, so it pays you to bring your goods in that way? A. It is an advantage.

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BY MR. KELLOCK: Q. It is an advantage? A. It is an advantage in one way and it is a disadvantage in another way. Goods coming in on consignment, your lordship, - all goods, textiles from Japan are charged at Japanese consumption tax, and Japanese consumption tax on consignment goods has to be figured exactly like a cost against merchandise, and an importer buying it outright does not have to figure that as a cost against the merchandise.

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BY THE COMMISSIONER: Q. You speak of a Japanese consumption tax; do you mean a tax that is collected

... So that you find, in your experience, in
bringing in goods from Japan that if you bring the
in on consignment you do not have to pay the current
duty duty? A. Do I have to answer that?
...
... If someone you have to answer
... That is correct.
... A. Do you have been able to
in whatever goods you have brought in on consignment
and not pay any current duty at all?
A. That is correct.
... So it pays you to bring your goods in that
way?
...
... Mr. Kellock asked, so it pays you to bring your goods
in that way? A. It is an advantage.
...
... A. It is an advantage in one way and it is a disadvantage
in another way.
...
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and Japanese consumption tax on consignment goods
has to be figured exactly like a cost against the
goods, and an importer paying it outright does
not have to figure that as a cost against the
merchandise.
...
... A. You speak of a Japanese
consumption tax; do you mean a tax that is collected

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by the Japanese Government? A. Yes.

BY MR. KELLOCK: Q. That is 10 per cent.?

A. Yes, 10 per cent.

5 A. But there is a considerable advantage even by paying that, is there not? A. The disadvantage comes in because we have to figure that as our cost.

10 Q. Yes, but even then? A. That has to be figured as part of our cost against our selling price. The importer has the advantage; he does not have to figure that as part of his cost.

15 Q. He has got to pay the currency dumping duty? A. Yes, he has to pay the currency dumping duty while we have to calculate the Japanese consumption tax.

Q. The currency dumping duty is much more than the Japanese consumption tax? A. It is a little more.

20 BY THE COMMISSIONER: Q. How much more? A. It is 30 as against 10.

BY MR. KELLOCK: Q. Did you ever handle any Canadian taffetas? A. Yes, we handled them for several years.

25 Q. And the cheap kinds that are made in Canada? A. We got the Canadian taffetas when the Japanese taffetas were shut off.

30 Q. And you would handle about the same bulk of Canadian taffetas as you would handle Japanese taffetas? A. Absolutely no, about 1/16th, or less.

by the Japanese Government?

A. Yes.

BY MR. KELLER: That is 10 per cent?

A. Yes, 10 per cent.

paying that, is there not?

A. The Japanese

comes in because we have to figure that as our cost

A. Yes, but even then?

A. That has to be

figured as part of our cost against our selling price

the importer has the advantage; he does not have to

figure that as part of his cost.

A. He has got to pay the currency dumping duty

A. Yes, he has to pay the currency dumping duty and

we have to calculate the Japanese consumption tax.

A. The currency dumping duty is much more than

the Japanese consumption tax?

A. It is a little

BY THE COMMISSIONER: How much more?

A. It is 30 as against 10.

BY MR. KELLER: Did you ever handle any

Canadian talifates?

A. Yes, we handled them for

several years.

A. And the cheap kinds that are made in Canada?

A. We got the Canadian talifates when the Japanese

talifates were shut off.

A. And you would handle about the same bulk

of Canadian talifates as you would handle Japanese

talifates? Absolutely no, about 10 per cent, or

Q. You handle more Japanese taffetas now?

A. We handle more Japanese taffetas now, by far.

Q. And the Japanese taffetas that you are now selling you sell for the same purposes that you used to sell Canadian taffetas? A. We do not.

Q. What purposes are the Japanese taffetas used for that you are bringing in now? A. The Japanese taffetas that we are bringing in now are used for cheap store selling.

THE COMMISSIONER: You told us that earlier.

THE WITNESS: And the Canadian taffetas--

THE COMMISSIONER: But that is not the question.

BY MR. KELLOCK: Q. What does the purchaser use the material for, these cheap Japanese taffetas you spoke about, what are they bought for? A. In the stores?

Q. Yes? A. For fancy work, cushions.

Q. Cotton linings? A. No, no, - cushions and little decorative articles, dolls, and that sort of thing.

Q. And when those cheap Japanese taffetas were not available last year what was used for those purposes? A. We sold them practically exclusively to manufacturers in Toronto here.

Q. You do not appreciate my question. I am asking about last year, when these cheap Japanese taffetas were not available what was used for the purpose that they are now sold for? A. That I don't know.

Q. You handle more Japanese tatizeta now?
A. We handle more Japanese tatizeta now, by far.
Q. And the Japanese tatizeta that you are now
selling you sell for the same purposes that you are
to sell Canadian tatizeta? A. No, no.
Q. What purposes are the Japanese tatizeta used
for that you are bringing in now? A. The
Japanese tatizeta that we are bringing in now are
used for cheap store selling.
Q. We sold in 1914: Was sold as that earlier.
Q. Yes; and the Canadian tatizeta--
Q. Yes; but that is not the question
BY MR. KILLICK: A. What does the purchaser use
the material for, these cheap Japanese tatizeta you
spoke about, what are they bought for? A. In
the stores?
A. Yes? A. For fancy work, ornaments,
A. Cotton linings?
A. No, no, - cushions
and little decorative articles, dolls, and that sort
of thing.
Q. And when these cheap Japanese tatizeta were
not available last year what was used for those
purposes? A. We sold them practically exclusively
to manufacturers in Toronto here.
Q. You do not appreciate my question. I am
saying that last year, when these cheap
tatizeta were not available what was used for the
purpose that they are now sold for? A. That I do
not know.

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Q. Canadian taffetas? A. I don't think so.

Q. You say you don't know? A. I don't know.

Q. But you sold --- A. An entirely new

trade has opened up with those 27-inch plain taffetas.

Q. The fact is, before last year, you sold Canadian taffetas where you are selling Japanese taffetas today? A. To a different trade.

THE COMMISSIONER: What you want to know is, I suppose, what did they use for cushion covers last year when they did not have the Japanese goods?

BY MR. KELLOCK: Q. Yes, what did they use for cushion covers last year, - dolls, for instance, and that sort of thing?

A. Oh, I suppose they used some of the Canadian.

A. Certainly, yes.

Q. --

Q. --

Q. --

Q. --

Q. --

Q. --

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Q. Yes, I would think so; did you handle prior to this year any Canadian cloths other than taffeta?

A. Did we handle cloths?

Q. Yes? A. Oh yes, we do.

Q. That is in the silk and artificial silk; what did you handle? A. In Canadian mills?

Q. Yes. A. We handled artificial satins, artificial rough crepes, we handled Canadian flat crepes.

Q. How are you supplying your customers this year?

A. We still handle the same lines.

Q. I thought you said you did not have a Canadian representation at the moment?

A. We buy these goods outright from Canadian mills. We buy in the open market.

Q. Have you a stock of those on hand?

A. Absolutely, yes.

Q. A large stock? A. Yes, yes.

Q. How does your stock compare now with this time last year on these goods?

A. Certain lines we have like plain cheap Canadian taffetas, we never had much business in those because the Canadian mills go direct and sell.

Q. The Canadian mills sold direct; you did not have a chance to sell them last year at all?

A. We have dropped Canadian taffetas but we handle all the other lines yet. That is the only line we dropped, only the cheap taffetas.

Q. When you say you act for Mr. Cooper do you buy from Mr. Cooper or are you simply an agent for Mr. Cooper?

Q. Yes, I would think so; did you handle prior
to this time the Canadian stock market?
A. Did we handle it?
Q. Yes?
A. Oh yes, we do.
Q. That is in the silk and artificial silk; what
did you handle?
A. In Canadian market?
Q. Yes.
A. Yes, artificial silk, we handled Canadian
first ones.
Q. Now you are taking your ornaments this
time?
Q. I thought you said you did not have a
Canadian representation at the moment?
A. We buy these goods outright from Canadian mills.
We buy in the open market.
Q. Have you a stock of these on hand?
A. Absolutely, yes.
Q. A large stock?
A. Yes, yes.
Q. How does your stock compare now with this
time last year on these goods?
A. Certain times we have like plain cheap Canadian
tatters, we never had such business in these goods
the Canadian mills as direct and well.
Q. The Canadian mills sold direct; you did not
have a chance to sell them last year at all?
A. We have dropped Canadian tatters but we have
all the other times yet. That is the only item
dropped, only the cheap tatters.
Q. When you say you act for Mr. Cooper do you
mean Mr. Cooper or are you simply an agent for Mr.

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Is he the principal or are you the principal?

A. We are the principals here.

Q. You are the importer; these travellers you have do go about with samples of Japanese goods?

A. Oh yes.

Q. Then quote prices? A. We sell all our goods from the stock; we must give them a range of samples to sell.

Q. In addition to the information you are going to give as to your actual importations this year, let us have a set of the samples that you have been using since the first of the year with the prices quoted? Have you met competition from others selling Japanese goods? A. Yes, absolutely.

Q. Tell us about that?

THE COMMISSIONER: Please repeat that.

BY MR. KILLOCK: Q. I asked the witness if he met competition from other persons selling Japanese goods and the answer was yes? A. Yes.

Q. What competition did you meet?

A. Since the first of the year several Japanese houses have gone and opened up their agencies here.

Q. That is the Japanese exporters themselves?

A. The exporters; they got in touch with agents here and have opened up again.

Q. Can you tell us what Japanese exporters have done that? A. Mitsui, for instance, one of the biggest and most important Japanese export houses.

Q. They have an agency in Toronto? A. Yes.

Is he the principal or are you the principal?

A. We are the principals here.

Q. You are the importer; these travellers you

have no to do about with samples of Japanese goods?

A. Oh yes.

Q. Then quote prices?

A. We sell all

our goods from the stock; we must give them a range

of samples to sell.

Q. In addition to the information you are not

to give us to your actual importations this year.

us have a set of the samples that you have been us

since the first of the year with the prices quoted

Have you met competition from others selling

Japanese goods? A. Yes, absolutely.

Q. Tell us about that?

THE COMMISSIONER: Please repeat that.

BY MR. KENLOCK: A. I asked the witness if he

competition from other persons selling Japanese

goods and the answer was yes? A. Yes.

Q. That is correct, is it not?

A. Since the first of the year several Japanese

houses have gone and opened up their agencies here

Q. That is the Japanese exporters themselves?

A. The exporters; they got in touch with agents

here and have opened up again.

Q. Can you tell us what Japanese exporters

have done that? A. Mitsui, for instance,

one of the biggest and most important Japanese

export houses.

Q. And they are doing in Toronto?

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Q. Who is the agent? A. Henry Muller.

Q. Anybody else? A. No, he is the only agent in Toronto.

Q. Now, Mitsui is one; who else?

5 A. I cannot tell the names of the firms but I know that William Lousser has an agency of Japanese goods.

Q. What kind of an agency has he got?

A. Also textiles.

Q. What kind of textiles?

10 A. The same as we have.

Q. The same as you have? A. Yes.

Q. That covers the whole range?

15 A. I think anything he might be interested in they would supply him samples.

BY THE COMMISSIONER: Q. Everything that comes in the cottons? A. All their yarns.

Q. Not woollens? A. They make wool fabrics in Japan also.

20 BY MR. KILLOCK: Q. Have the Japanese got agencies here for the sale of woollen goods?

A. We have woollen samples.

Q. You have woollen samples? A. Yes.

Q. From Japan? A. Yes.

25 Q. Are you selling them? A. Absolutely not, we put them away.

Q. Any other competition that you ran into in selling Japanese goods? A. There are firms in Vancouver. They send their quotations east.

30 I don't know the names of those but no doubt the

Q. Who is the agent?
A. He is the only

agent in Toronto.

Q. Now, Mitsui is one; who else?

A. I cannot tell the names of the firms but I know

that William Lonsdale has an agency of Japanese goods.

Q. What kind of an agency has he got?

A. Textiles.

Q. What kind of textiles?

A. The same as we have.

Q. The same as you have?

Q. That covers the whole range?

A. I think anything he might be interested in they

would supply him samples.

BY THE COMMISSIONER: Q. Everything that comes in

the cottons?

Q. Not wools?

Q. Not wools?

BY MR. KENLOCK: Q. Have the Japanese got agencies

for the sale of woolen goods?

Q. You have woolen samples?

Q. From Japan?

Q. Are you selling them?

not, we put them away.

selling Japanese goods?

Q. There are firms

that sell their goods here.

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Customs Department would know who they are. I don't know the names of them.

Q. Are there others in Toronto that you know of; do you know of others in Toronto? What about Kawakita? A. Yes, Kawakita is Japanese.

Q. Since the first of the year?

A. No, he has always been in touch with the Japanese business. Nerlich's have a strong business connection. I don't know whether it is an agency--

MR. McRUER: Nerlick's handle china; that does not come in competition with Canadian Textile mills?

A. No.

BY MR. KELLOCK: Q. Anybody else; do you know Cassidy's? A. No.

Q. Do you know whether Cassidy is selling Japanese Textiles? A. No, I don't know him.

MR. McRUER: They are china too.

THE WITNESS: There are others; Fairchild is in Montreal.

BY MR. KELLOCK: Q. Anybody else that you know of? A. I don't know anybody else now.

Q. Do you remember a letter that was sent out by your company on the 14th of January, 1936, withdrawing your previous quotations? A. Yes.

Q. THE COMMISSIONER: What exhibit is that?

MR. KELLOCK: Exhibit 151, my lord. That letter says: "Referring to our letter of the 4th" - that is Exhibit 417 - "we withdraw temporarily our recent quotations on Japanese rayons"?

Customs Department would know who they were. I don't

Q. Are there others in Toronto that you know of

do you know of others in Toronto? What about

Q. Since the first of the year?

A. No, he has always been in touch with the Japanese

business. Herion's have a strong business connection

I don't know whether it is an agency--

Q. In competition with Canadian textile mills?

BY MR. KENNEDY: Q. Anybody else; do you know

Q. Do you know whether Canada is selling

A. No, I don't know Japanese textiles?

MR. KENNEDY: They are China too.

THE WITNESS: There are others; Herion's is

MR. KENNEDY: Q. Anybody else that you know

A. I don't know anybody else now.

Q. Do you remember a letter that was sent out

by your company on the 14th of January, 1938, with

A. Yes, drawing your previous question?

Q. THE COMMISSIONER: That exhibit is that?

letter says: "Referring to our letter on the 14th

of January 1938, we withdraw responsibility and

A. Yes.

Q. Why was that?

THE COMMISSIONER: Is that all he said?

MR. KELLOCK: No; "Will be able to quote firm
5 prices middle of February". A. We received
a notification from the Customs appraiser in Toronto
that ray ons would be subject to appraisal and that
the invoice price would not necessarily have to be
taken for duty.

10 Q. Did you get that notification the day this
letter was sent out? A. Or the day before.

THE COMMISSIONER: Is that other document here?
We have it someplace here.

15 MR. KELLOCK: I assume so, my lord.

MR. McRUER: It was the 10th of January, the date
of the notification.

THE WITNESS: I believe I have it here.

THE COMMISSIONER: We have had it in evidence;
20 you have it too? A. Yes, Toronto, dated
the 13th of January.

BY MR. KELLOCK: Q. That is the date you got it?
A. Yes, that is the day I think we got it, yes.

Q. That circular was the reason for this letter,
25 Exhibit 151, is that right? A. Yes.

Q. You say that the effect of that was that you
were told that the invoice values on stuff that you
imported would not necessarily govern but something
else would, that is, the prices at the invoice values
30 of the same kind of material in previous years?

THE COMMISSIONER: You had better read that letter

Q. Now, I am going to ask you a series of questions, and I want you to answer them as best you can. The first question is: Did you receive a notification from the Customs appraiser in Toronto that your goods would be subject to appraisal and that the invoice price would not necessarily have to be taken for duty?

A. Yes.

Q. Did you get that notification the day this letter was sent out?

A. Or the day before.

THE COMMISSIONER: Is that other document here?

A. We have it a moment ago.

MR. KENNEDY: I assume so, my lord.

MR. MORRIS: It was the 10th of January, the date of the notification.

THE WITNESS: I believe I have it here.

THE COMMISSIONER: We have had it in evidence; you have it too?

A. Yes, Toronto, dated the 10th of January.

BY MR. KENNEDY: Q. That is the date you got it?

A. Yes, that is the day I think we got it, yes.

Q. That circular was the reason for this letter?

A. Yes.

Q. You say that the effect of that was that you were told that the invoice values on stuff that you imported would not necessarily govern but something else would, that is, the prices at the invoice value of the same kind of material in previous years?

THE COMMISSIONER: You had better read that in

again.

MR. KELLOCK: I am just summarizing it, my lord.

THE COMMISSIONER: Mr. McRuer has it.

MR. KELLOCK: I have a copy here, my lord. It
5 says - it is from the Commissioner of Customs to
the Collector of National Revenue, Customs Division.

" Subject: Value of Artificial Silk
Fabrics from Japan.

It has come to the attention of the Department
10 that on shipments of artificial silk fabrics of
Japanese origin exporters may show on customs
invoices lower values than previously certified
to".

THE COMMISSIONER: Exporters may show?

15 MR. McRUER: Yes.

MR. KELLOCK: Exporters, my lord. "You are requested
to carefully appraise importations of the above
mentioned goods. In this connection you may
refer to customs invoices covering importations
20 of similar goods made during 1934 and 1935, or
examined relevant data at the offices of the
importer, and if it is found that the values
certified to are not correlative the importer
should be invited to give or obtain a statement
25 as to the reason for any reduction in values
certified to. I am enclosing a sample - a
27" fabric weighing approximately 9 yards per
pound, which was imported during 1935. The
value certified to was approximately yen 8.00
30 per a piece of 30 yards. Please report to the

MR. KILLOCK: I am just summarizing it, my lord.
MR. KILLOCK: I have a copy here, my lord.
Says - it is from the Commissioner of Customs to
the Collector of National Revenue, Customs Division
Subject: Value of Artificial Silk
It has come to the attention of the Department
that on shipments of artificial silk fabrics
Japanese origin exporters may show on customs
invoices values which are substantially in excess of
the actual value of the goods.
THE COMMISSIONER: Exporters may show?
MR. KILLOCK: Exporters, my lord. "You are right
to carefully examine importations of the goods
mentioned goods. In this connection you may
refer to customs invoices covering importation
of artificial silk fabrics from Japan and China, and
exchanged relevant data at the offices of the
Inspector, and it is found that the values
mentioned are not correct and the Inspector
should be invited to give on obtain a statement
as to the reason for any reduction in values
mentioned. I am enclosing a sample - a
27" fabric weighing approximately 3 yards per
yard, which was imported from Japan.
The fact that it was imported from Japan
and a piece of 30 yards. Please refer to it

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"Department entry numbers, number and amount of amending entries, and also your findings in respect to fair market value. Please advise immediately all known importers of fabrics that importations will be subject to appraisal, and they may be called on to amend entries."

MR. McRUER: It is dated January 10th.

MR. KELLOCK: The witness said he got it on the 13th.

THE COMMISSIONER: That was sent from the Department of Customs to the Customs Officers here and they in turn notified the witness.

MR. McRUER: The appraiser here notified Fisher on the 13th having already received that notice.

MR. KELLOCK: That is right. Then, that was the notification that caused you to send out this letter of January 14th, Mr. Kehl? A. Yes, that is right.

Q. Your letter goes on to say, "will be able to quote firm prices middle of February". What was that founded on? A. Our shipments would be passed through the Customs on the first of February.

Q. That is the shipments you already had on the way? A. Already on the way.

Q. You would know, you would have them here the middle of February and be able to know what they cost you and quote prices? A. We figured we would be able to by that time.

"Department entry numbers, number and amount of
 amending entries, and also your findings in
 connection with this matter."
 immediately all known importers of tobacco
 that importations will be subject to approval
 and they may be called on to amend entries."
 Mr. KILBOCK: It is dated January 10th.
 Mr. KILBOCK: The witness said he got it on the
 10th.
 THE COMMISSIONER: That was sent from the
 Department of Customs to the Customs officers here
 and they in turn notified the witness.
 Mr. KILBOCK: The speaker here notified Fisher
 on the 15th having already received that notice.
 Mr. KILBOCK: That is right. Then, what was the
 notification that caused you to send out this letter
 of January 14th, Mr. Kelly?
 A. Yes, that is
 right.
 "Your letter goes on to say, "will be able to
 quote firm prices middle of February." What was
 that founded on?
 A. Our shipments
 would be passed through the Customs on the first of
 February.
 Q. That is the shipments you already had on the
 way?
 A. Already on the way.
 Q. You would know, you would have them here the
 middle of February and be able to know what they
 cost you and quote prices?
 A. We figured as
 would be able to by that time.

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Q. Let me ask you this, from your experience was the system that was outlined in this bulletin of the 10th of January, 1936, of which you got notice on the 13th, was that put into effect? A. No.

Q. Never went into effect? A. No.

BY THE COMMISSIONER: Q. What do you mean? You

mean the invoice price was accepted in all cases?

A. In all cases, yes.

Q. The letter says that they are not to be accepted if the values certified to are not correlative; they were to compare these prices with those in 1934 and 1935 and if they are not correlative they are to be appraised.

MR. KELLOCK: You say that was not done.

THE COMMISSIONER: He does not know. The invoice price was taken, you say? A. The invoice price was taken.

BY MR. KELLOCK: Q. Was the invoice price lower

than it had been before? A. The market was the lowest it had been in the history of the rayon business at the end of 1935 and January, 1936.

Q. These invoices were the lowest they had ever been? A. It reached the lowest point in

December, and January, 1936, of the rayon, in the history of the rayon business.

Q. There is no doubt, Mr. Kehl that the Japanese do manufacture a wide range of silk and rayon in addition to these cheap fabrics? A. In Japan they do.

Q. Has me ask you this, from your experience was
the system that was outlined in this exhibit of the
10th of January, 1936, of which you got notice on
the 10th, was that put into effect?
A. No.
Q. Never went into effect?
A. Yes, it was.
Q. The latter case that they are not to be
accepted if the value certified to the tax authorities
they were to compare these prices with those in 1936
and 1935 and if they are not comparative they are to
be appraised.
A. Mr. HARRISON: You say that was not done.
Q. The value of the goods was not known.
A. The value of the goods was taken, you say?
Q. Yes.
A. Mr. HARRISON: Was the invoice value taken
then it had been before?
Q. It had been in the history of the region that
at the end of 1935 and January, 1936.
Q. These invoices were the lowest they had ever
been.
A. It reached the lowest point in
December, and January, 1936, of the region, in the
history of the region business.
A. There is no doubt, Mr. Kehl that the Japanese
to manufacture a wide range of silk and rayon in
they do.

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Q. You have got samples?

A. I have a great many samples, yes.

Q. Then, did you have any trouble after this bulletin of the 10th of January went out, did you have any trouble clearing your goods when they arrived?

A. We cleared the shipment with the understanding with the appraiser here that the goods were not to be sold until sufficient time would be given Ottawa to examine the state of the Japanese market, and for them to corroborate that the figures were according to the market at that time prevailing in Japan?

Q. I want to show you this sample; there are two pieces of cloth here. Do you recognize them?

THE COMMISSIONER: What sample is that?

MR. KELLOCK: There are two pieces of rayon.

THE COMMISSIONER: What particular sample?

MR. KELLOCK: It is new, my lord.

THE COMMISSIONER: Something new?

MR. KELLOCK: Yes, my lord. You recognize these?

A. Yes, I do.

Q. These are Japanese stripes? A. Yes.

Q. Made of all rayon? A. That is right.

Q. You brought in some of these this year?

A. Yes.

Q. And that material is not the cheap rayon that you have talked so much about this afternoon, is it?

A. No, that is one of the better types I have mentioned to you, of the better type that we have been able to

Q. handle--/can you tell me as to whether or not - when did you bring that in, and how often, more than once?

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3. Then, did you have any other after this

REF. 10011002 : It is new. We sold.

Mr. KENNEDY: Yes, my friend. You recognize me?

100 1, 83Y, 8

4. These are Japanese citizens.

Chairman of the Board of Directors

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...that is one of the better ideas I have heard

to you, of the better type that we have been able

A. Only once.

Q. When was that? A. Oh, that is hard to tell now.

Q. Some months ago? A. March or April.

Q. You cleared it, did you? A. Yes.

Q. In the usual way? A. Yes.

Q. Was the ruling on that that that was of a class or kind made in Canada or not made in Canada?

A. Everything in the rayon textiles is ruled as made in Canada with the exception of raw silk--

BY THE COMMISSIONER: Q. Of what?

A. With the exception of raw goods, goods woven in the raw weighing less than 7 pounds per hundred yards. That is the only kind, woven goods in the raw.

Q. Raw woven goods? A. Silk goods in the raw to be finished and dyed in Canada weighing less than - silk fabric in the raw.

BY MR. KELLOCK: Q. That is natural silk?

A. In the raw, not degummed, to be finished and dyed in Canada weighing less than 7 pounds per hundred yards.

Q. You are speaking of natural silk?

A. It is not natural silk, it is silk in the gum. Silk in the gum is not natural silk.

Q. It is real silk? A. Yes.

Q. Not rayon? A. No.

Q. Do I understand that you cleared a shipment of the sample I hold in my hand and it was ruled it was a class or kind made in Canada? A. Sure.

Q. Only once.

Q. When was that?

tell now.

Q. Some months ago?

Q. You cleared it, did you?

Q. In the usual way?

Q. Was the ruling on that that was it?

Q. Kind made in Canada or not made in Canada?

Q. Everything in the region, is it ruled as made

in Canada with the exception of raw silk--

BY MR. C. B. BRYDIE: Q. Of what?

Q. With the exception of raw goods, goods woven in

the new weighing less than 7 pounds per hundred

that is the only kind, woven goods in the new.

Q. New woven goods?

new to be finished and dyed in Canada weighing less

than - silk fabric in the new.

BY MR. BRYDIE: Q. What is natural silk?

Q. In the new, not begun, to be finished and dyed

in Canada weighing less than 7 pounds per hundred

goods.

Q. You are speaking of natural silk?

Q. It is not natural silk, it is silk in the new.

Silk in the new is not natural silk.

Q. It is not silk?

Q. I understand that you cleared a shipment

of the sample I held in my hand and it was ruled

was a class of fine goods in Canada?

Q. Yes.

Q. That is what you say? A. Sure.

THE COMMISSIONER: That introduces the fixed value of the Japanese currency into the consideration, doesn't it? A. Isn't that the result?

MR. KELLOCK: Yes, that is the result. We better have that marked.

THE COMMISSIONER: We will call that - what is it, one sample or two?

MR. KELLOCK: Two samples, my lord, of Japanese rayon stripes.

THE COMMISSIONER: Stripes?

MR. KELLOCK: Stripes, my lord, yes.

THE COMMISSIONER: Number 669.

EXHIBIT 669: Two samples of Japanese rayon stripes.

BY MR. KELLOCK: Q. Have you the entry on the clearance of that particular shipment?

A. I can find it without any trouble.

Q. And any correspondence about it?

A. No.

THE COMMISSIONER: Correspondence with whom?

MR. KELLOCK: With the Customs Department.

THE WITNESS: No correspondence about it, no.

Q. Would you let the secretary have the documents that relate to the clearing of that shipment?

A. Of this shipment here?

Q. Yes. Have you had any trouble clearing shipments of Japanese goods with the Customs Department in any way? A. Since when.

Q. Since the first of the year? A. No, we have not.

Q. When you are giving that information as to your importations since the first of the year would you mind doing it by months? A. Yes. I would like to be just sure of this. You want the figures of the value of the goods on the invoices as they come from Japan, not my selling value, do you?

Q. I want both? A. The goods that are imported or the goods that are sold?

Q. The goods that are imported and what you have sold them at.

MR. McRUER: Give us the yardage or poundage and the invoice value. He may have difficulty in giving a summary of what he sold them all at. That is a tremendous task.

A. The witness: A tremendous task; the one or the other should be sufficient. If you want the imports we will give you the imports and if you want the selling value I will gladly give you the selling value but one or the other should be sufficient.

MR. KELLOCK: No, I want both.

MR. McRUER: Well, what is it you want?

THE COMMISSIONER: What was it you wanted?

MR. KELLOCK: I want a statement by months of the importations to Fisher & Company since the first of the year, the invoice values.

THE COMMISSIONER: In each case.

THE WITNESS: In what money, in yen?

MR. KELLOCK: In yen, and I want the selling prices, and I want samples.

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Q. When you are giving that information as to

your importations since the first of the year would

you mind doing it by months? A. Yes. I would

like to be just sure of that. You want the figures

of the value of the goods on the invoices as they

come from Japan, not my selling value, do you?

Q. I sent both. A. The goods that are

imported or the goods that are sold?

Q. The goods that are imported and what you have

sold them at.

Mr. McLENNAN: Give us the yardage or package

and the invoice value. He may have difficulty in

giving a summary of what he sold them all at. That

is a tremendous task.

Q. The figures: A. Yes, I would like to see

the other should be sufficient. If you want the

imports we will give you the imports and if you want

the selling value I will gladly give you the selling

value but one or the other should be sufficient.

Mr. McLENNAN: Yes, I want both.

Mr. McLENNAN: Well, what is it you want?

THE COMMISSIONER: What was it you wanted?

Mr. McLENNAN: I want a statement by month of the

importations to Fisher & Company since the first of

the year, the invoice values.

THE COMMISSIONER: In each case.

THE WITNESS: In what money, in yen?

Mr. McLENNAN: In yen, and I want the selling price

and I want the package.

THE COMMISSIONER: The selling prices?

MR. KELLOCK: The selling prices, my lord.

THE COMMISSIONER: What he sold them for.

MR. KELLOCK: Yes.

THE COMMISSIONER: What would it amount to in bulk?

Where would you put it?

MR. KELLOCK: I don't think it is as bulky as that.

THE COMMISSIONER: If it is something practical we can get it but it must be that. It must be a physically practical thing. You want everything he sold?

MR. KELLOCK: Yes.

THE COMMISSIONER: Samples and the prices?

MR. KELLOCK: Yes, your lordship.

(Page 9040 follows)

MR. KELLER: The selling prices, my lord.
MR. KELLER: Yes.

MR. KELLER: What would it amount to in dollars?
There would you not say?

MR. KELLER: I don't think it is as bulky as the
THE COMMISSIONER: It is something practical &
can get it but it must be that. It must be a
physically practical thing. You want everything in

MR. KELLER: Yes.

(Page 20 of 20)

BY THE COMMISSIONER: What would that mean, Witness? A. That would mean a very big undertaking. It is comparatively easy to check the imports or the section of the imports that have been passed through customs and it is easy to supply you with samples and selling prices.

MR. KELLOCK: Well, the first thing I asked you for was a story of your stocks on hand at the present time. You can get that easily enough. Then I asked you as to what your importations had been, first in yards, since the first of the year, and that should not be a very big job? A. In yards?

Q. Yes? A. Not in value of dollars.

Q. I am talking about first of yards? A. That is a big job.

Q. Well, it must be because you have had such tremendous imports? A. No, as I said, it is less than \$30,000 since the first of the year.

Q. I am not talking about dollars, I am talking about yards. Why cannot you give this Commission a statement of your importations in yards since the 1st of January? A. Are not those available to the Customs Department? They have records of the total yardages.

MR. KELLOCK: We have not had them yet.

MR. McRUER: Yes, we have.

MR. KELLOCK: We have it only in bulk. They may be available in the customs but they are not available to the Commission at any rate.

BY THE COMMISSIONER: That would that mean,
Witness? A. That would mean a very big under-
taking. It is comparatively easy to check the
imports or the section of the imports that have been
passed through customs and it is easy to supply you
samples and selling prices.
MR. KILGICK: Well, the first thing I asked you
for was a story of your stocks on hand at the present
time. You can get that easily enough. Then I
asked you as to what your importations had been,
first in yards, since the first of the year, and then
should not be a very big job?
Q. Yes? A. Not in value of dollars.
Q. I am talking about first of yards? A. The
is a big job.
Q. Well, it must be because you have had such
tremendous imports? A. No, as I said, it is
less than \$20,000 since the first of the year.
Q. I am not talking about dollars, I am talking
a statement of your importations in yards since the
first of January? A. Are not those available
to the Customs Department? They have records of
the total yardages.
MR. KILGICK: We have not had them yet.
MR. McNEIL: Yes, we have.
MR. KILGICK: We have it only in bulk. They
may be available in the seasons but they are not

Q. I am asking you if you cannot furnish this Commission with a statement of the yards?

If it is not such a tremendous quantity you brought in, why is that such a tremendous job? A. It means a lot of work.

BY THE COMMISSIONER: Q. Do you buy this material by the yard? A. By the piece.

MR. KELLOCK: Q. Give it to us in pieces.

BY THE COMMISSIONER: Are the pieces in so many yards? A. Yes.

Q. You ought to be able to tell us how many pieces? A. Yes, that is possible.

MR. KELLOCK: Then I should like to have the laid-down cost here of these shipments and your selling prices or your quotations? A. These figures that you are asking me to give are for the use of the Commission only, not for the use of the general public only or the Textile Industry.

Q. It is for the use of the Commission only. A. Commission only?

Q. Yes? A. I will be glad to furnish any figures that the Commission would like me to supply them with.

Q. And then you samples? A. Yes, the samples.

Q. And with the information about your prices on your samples? A. Certainly.

MR. KELLOCK: That is all, thank you.

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Kehl By
Mr. McRuer.RE-EXAMINATION BY MR. McRUER.

Q. I am interested in the fact that the Canadian mill cut your commission in half in May of last year - did you have any discussion with them or negotiation with them that disclosed the reason why they cut it in half - that was in May of this year, 1936?

A. We represented one Canadian mill up to that time.

Q. What mill was that? A. Should I mention the name?

Q. Well, if you object to mentioning it, - it does not make much difference? A. I would be glad to supply it to you.

Q. What reason was given for cutting your commission in half? A. They said they were not making any money on the Toronto business.

Q. And what other business? A. And they were going to do it direct from Montreal.

Q. And they cut your commission in half? A. They did not cut it but they said if we wanted to continue we would have to take half commission.

Q. Well, I think we had better have the name of the mill. I would like to follow it up a little.

THE COMMISSIONER: There is no reason why you should not.

Q. What mill were your dealings with here?

A. I would not like --

Q. Why not? you were dealing with some mill last year but you discontinued, - what is the mill?

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Went By

Mr. [unclear]

RESTATEMENT OF [unclear]

Q. I am interested in the fact that the Commission will cut your commission in half in May of last year did you have any discussion with them or negotiation with them that disclosed the reason why they cut it in half - that was in May of this year, 1936?

A. He represented one Commission will up to last time.

Q. What will was that?

A. Should I mention the names?

Q. Well, if you object to mentioning it, - it does not make much difference?

A. I would be glad to supply it to you.

Q. What reason was given for cutting your commission in half?

A. They said they were not making any money on the Toronto business.

Q. And what other business?

A. And they were going to do it direct from Montreal.

Q. And they cut your commission in half?

A. They did not cut it but they said if we wanted to continue we would have to take half commission.

Q. Well, I think we had better have the name of [unclear]. I would like to follow it up a little.

Q. The Commission? There is no reason why you should not.

Q. What will were your dealings with heret?

A. I would not like ---

Q. Why not? You were dealing with some will last year but you discontinued, - what is the will?

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A. I would not like to get the mill into publication.

Q. I am telling you, you are not responsible, I am. What is the mill? A. I don't like to--

Q. You must - what is the mill? A. Louis Roessel and Company.

MR. McRUER: Q. And they said they were not making any money on the Toronto business? A. Now, you made certain references to pongees, habitae, and what was the other? A. Fugi.

Q. Are silks of that nature made in Canada?

A. No, spun silk I believe was made by one mill, yes.

Q. But pongees and habitae and -- A. Pongees and habitaes are not made.

Q. And when you are talking of your importations from Japan I understood you that as far as the natural silk is concerned or the silk, a great portion of them were those pongees and habitaes? A. Oh, yes, we have had those all along.

Q. Now, whatever the samples are that you have, and you seem to have a large line of them, You have been trying to sell them during this year?

A. The samples we have - we got a sample and a price list and all we need to do is look at the price list and say, "It is no use." We put samples away because before we even figure it we can tell right off hand, that those prices for this type of goods are away too high at the present customs rate and no use to

A. I would not like to get the milk into public
distribution.
Q. I am telling you, you are not responsible,
I am. What is the milk?
A. You want - what is the milk?
Kossel and Company.
MR. KOSSEL: ... and they said they were not
any money on the Toronto business?
Q. Now, you
made certain references to purges, habits, and
what was the other?
A. Right.
Q. Are sticks of that nature made in Canada?
A. No, again stick I believe was made by one milk,
Q. But purges and habits and --
A. Purges
and habits are not made.
Q. And when you are talking of your investigation
from Japan I understood you that as far as the milk
stick is concerned or the stick, a great portion of
them were those purges and habits?
A. Oh, I
we have had those all along.
Q. Now, whatever the samples are that you have
and you seem to have a large line of them, you
have been trying to sell them during this year?
A. The samples we have - we got a sample and a pur-
list and all we need to do is look at the price I
and say, "it is no use," so put samples away because
before we even figure it we can tell right off hand
that those prices for this type of goods are way
too high at the present current rate and no use to

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even offer now because even suppose we could interest
a person to buy would only get into trouble.

5 Q. What I am getting at is this: As far as the
Japanese are concerned they have been trying to sell
in this market? A. Oh, positively.

10 Q. There has been a suggestion made to this
Commission that because the Royal Commission has been
sitting the Japanese have not been trying to sell here,
and that is the reason there have not been more
importations from Japan than there has been.

15 Now, I want to get from you - have you been making
every effort to sell that you can? A. Every effort
to sell, absolutely.

MR. KELLOCK: That is new, I would like to ask
a question.

THE COMMISSIONER: All right.

20 MR. KELLOCK: Q. You say that you have been making
and the Japanese have been making every effort to sell,
is that right? A. The Japanese are making every
effort to sell.

25 Q. And you are making every effort to sell Japan-
ese goods? A. We are making every effort to
sell Japanese goods.

30 Q. And yet you say all you have got to do is
open up samples and look at the prices that are sent
to you from Japan and you know at once you cannot
sell? A. We know that the prices are away up
beyond the ---

over offer now be made even suppose we could interest
a person to buy would only get into trouble.
I think I am getting it is true: I think as the
Japanese and concerned they have been trying to sell
in this market? I am, hesitantly.
4. There has been a suggestion made to this
Committee that because the Royal Commission has been
citing the Japanese have not been trying to sell
and that is the reason there have not been more
importations from Japan than there has been.
Now, I want to get from you - have you been making
every effort to sell what you can? A. Every effort
to sell, hesitantly.
MR. KILBICK: That is new, I would like to ask
a question.
THE CHAIRMAN: All right.
MR. KILBICK: A. You say that you have been making
every effort to sell and the Japanese have been making every effort to
is that right? A. The Japanese are making every
effort to sell.
A. And you are making every effort to sell?
A. Yes, we are making every effort to
sell.
A. And you say all you have got to do is
open up samples and look at the prices that are
to you from Japan and you know of course you cannot
sell.

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Q. You know at once just by looking at it that you cannot market the goods? A. By looking at the price list we can tell immediately it is out of reach.

Q. And do you tell the exporters in Japan of that situation? A. Yes, we do.

Q. And they make no change? A. They cannot help themselves.

Q. They make no change? A. What do you mean?

Q. They do not change their prices, they do not try to come down? A. No.

Q. And you know just as well as I do that the Japanese manufacturers can manufacture at a very low cost and do manufacture at a whole lot less cost than the Canadian manufacture of silk and rayon.

THE COMMISSIONER: Well, you know and the witness knows; I do not know myself.

MR. KELLOCK: Q. Is not that common knowledge - do not you understand that? A. They possibly can manufacture cheaper than they can in Canada but not pay 200% tariff.

Q. I am not talking about tariff? A. Without tariff, you mean? You mean mill for mill?

Q. Yes? A. They can manufacture cheaper.

Q. Tremendously cheaper? A. Not tremendously cheaper.

Q. Have you ever studied the question? A. Yes, I have samples and prices.

Q. You know at once just by looking at it that
you cannot market the goods?
A. By looking at
the price list we can tell immediately it is out of
reach.
Q. And do you tell the exporters in Japan of the
situation?
A. Yes, we do.
Q. And they make no changes?
A. They cannot
help themselves.
Q. They make no changes?
A. What do you mean?
Q. They do not change their prices, they do not
try to come down?
A. No.
Q. And you know just as well as I do that the
Japanese manufacturers can manufacture at a very low
cost and do manufacture at a whole lot less cost
than the Canadian manufacture of silk and rayon.
THE COMMISSIONER: Well, you know and the witness
knows; I do not know myself.
MR. KILLOCK: Q. Is not that common knowledge -
do not you understand that?
A. They possibly
can manufacture cheaper than they can in Canada but
not pay 300% tariff.
Q. I am not talking about tariff?
A. With
tariff, you mean? You mean will pay tariff?
Q. Yes?
A. They can manufacture cheaper
A. Not tremendously cheaper?
Q. Have you ever studied the question? A. Yes
I have samples and prices,

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BY THE COMMISSIONER: Q. How much cheaper do they manufacture in Japan than here? You say you have studied the question. Give me your idea after studying the question? A. A dress fabric in Japan that a lady would wear here for a dress the minimum cost would be about 40 yen per piece.

Q. Made in Japan? A. Made in Japan. A nice fabric in line with what the Canadian mills would produce for dress material to produce in Japan would cost about 40 yen.

Q. And here? A. And here we buy nice dress fabrics at from about 50 cents to 75 cents.

Q. How many yen is that? A. Well, 40 yen, to begin with, is 32 cents over there without any freight and customs duties on that type of goods is approximately 200 per cent.

Q. I am afraid you are talking about selling prices, and Mr. Kellock was talking about production costs, - that is a different thing? A. That is about 32 cents in Japan.

Q. Production cost? A. Yes.

Q. And here 40 cents, is that what you say? A. And here that item would be 60 cents, 50 to 75 cents, I mean.

MR. McRUER: Q. You said you could buy there here from 50 to 60 cents? A. Could buy them here.

THE COMMISSIONER: We are not talking about buying. Mr. Kellock was questioning you about the cost to

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Reilly, W.

Mr. Kellock

BY THE COMMISSIONER: Q. How much cheaper do

they manufacture in Japan than here? You say you

have studied the question. Give me your idea as to

studying the question? A. A dress fabric

in Japan that a lady would wear here for a dress

the minimum cost would be about 40 per piece.

Q. Made in Japan? A. Made in Japan. A nice

fabric in line with what the Canadian mills would

produce for dress material to produce in Japan would

cost about 40.

Q. And here? A. And here we pay nice dress

fabrics at from about 50 cents to 75 cents.

Q. How many yards is that? A. Well, 40 yards,

to begin with, is 50 cents over there without any

freight and customs duties on that type of goods is

about 50 cents in Japan.

Q. I am afraid you are talking about selling

pieces, and Mr. Kellock was talking about production

costs, - that is a different thing? A. That is

about 50 cents in Japan.

Q. Production costs? A. Yes.

Q. And here 40 cents, is that what you say?

A. And here that item would be 50 cents, 50 to 75

cents, I mean.

MR. MORRIS: Q. You said you could pay there not

from 50 to 60 cents? A. Could pay there here.

THE COMMISSIONER: Q. Are you talking about paying

Mr. Kellock was questioning you about the cost to

the mill to produce them and you said that and it was cheaper from Japan than it is here and then I asked, "How much cheaper?" Now, do you know at all?

A. I better say I don't know. I can only know the Canadian selling price, I don't know the Canadian cost price.

CHARLES NORTHCOTT, Sworn,

EXAMINED BY MR. McRUER:

Q. You are connected with what firm? A. A. H. Brown Silk Company.

Q. And what is your business? A. We are jobbers and manufacturers, silks and rayons.

Q. What is your position with them? A. I am the Manager. We are importers, jobbers, and manufacturers.

Q. Of silk only? A. We manufacture rayons, rayon piece goods.

Q. Do you import and manufacture natural silk goods as well as rayons? A. Yes.

Q. Do you weave natural silk? A. We weave only rayons.

Q. You job natural silk? A. Job silks, rayons, cottons.

Q. We had some evidence early in this investigation in connection with some Japanese taffetas that were imported into Canada last Spring - did you purchase any of those? A. We did.

the mill to produce them and you said that and it
was cheaper from Japan than it is here and when I
asked, "How much cheaper?" Now, do you know at
all. I better say I don't know. I can only know
the Canadian selling price, I don't know the Canadian
cost price.

Q. Now, what is your business?
A. I am a manufacturer of silk goods.
Q. What is your position with them? A. I am
the manager. We are importers, jobbers, and manufacturers.

Q. Do you import and manufacture natural silk
goods as well as rayon?
A. Yes.
Q. Do you weave natural silk?
A. No, we manufacture
only rayon.

Q. You job natural silk?
A. Yes, silk,
rayon, cottons.
Q. We had some evidence early in this investigation
in connection with some Japanese tailors that were
imported into Canada last Spring - did you purchase

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Q. From whom did you buy? A. A. D. Fisher & Co.

Q. And did you place a large order for them?

A. Not a very large order.

5 THE COMMISSIONER: Did you say this year or last year?

MR. McRUER: This year, 1936.

Q. Did you say in January or February? A. In January I believe.

10 Q. Was that for this low-priced taffeta? A. Low priced goods.

Q. What use did you put those to? A. We sold them.

15 Q. To whom did you sell them? A. To store-keepers, manufacturers.

Q. You jobbed them? A. Yes.

Q. Have you been placing repeat orders on them?
A. We have. Not from A.D. Fisher but from other
20 people.

Q. What volume of business have you been doing?
A. Oh, we have sold a few thousand pieces.

Q. Had you done any business in Japanese goods
at all up until the first of January, 1936?

25 A. No? sir.

Q. They were excluded from your business altogether?
A. Entirely.

Q. And what sort of a market do you find for these
30 goods you are handling now? A. Fine, very good market.

Q. Where do you sell them? A. Sell them to

Q. From whom did you buy A. A. D. Fisher & Co.
Q. and did you place a large order for them?
A. Not a very large order.
Q. THE ORDER WAS: Did you say this year or last
year?
A. MR. BRYDIE: This year, 1936.
Q. Did you say in January or February? A. In
January I believe.
Q. Was that for this last year or 1935? A. In
1936.
Q. What was did you see those people A. No hold
them.
Q. To whom did you sell them? A. To stores-
keepers, manufacturers.
Q. You talked them? A. Yes.
Q. Have you been placing repeat orders on them?
A. We have. Not from A.D. Fisher but from other
people.
Q. Last volume of business have you been doing?
A. Oh, we have sold a few thousand pieces.
Q. And you have any business in Japanese goods
at all up until the first of January, 1936?
A. No? sir.
Q. They were excluded from your business since
the January.
Q. And what sort of a market do you find for these
goods you are talking about? A. Fine, very good

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manufacturers, stores.

Q. There is a demand for them? A. A very good demand.

5 . And how much in dollars and cents would the turnover amount to altogether? A. Well, it is a little difficult to tell, the market is only opening up for them.

Q. What does your business in that line amount to?

10 A. In a year?

Q. Yes? A. Might amount to anything, cannot tell at this stage.

15 BY THE COMMISSIONER: Can you find out so far for this year - the year is getting on now? A. Well, our importations would not be a fair average of what is coming in.

Q. No, we are talking of your imports?

A. I could not give you those figures right now.

20 MR. McRUER: Q. We know what is coming in?

A. We could get the figures for you. I have not them with me.

25 Q. In your business I want to get what your business amounted to? A. Our business?

Q. Yes, in that line? A. Well, that is a little hard to tell. We carry a big variety. It would amount to, I imagine, \$15,000 to \$20,000 a month, not all Japanese.

30 Q. I mean in the Japanese goods? A. Oh, probably \$10,000 a month.

Q. There is a demand for them? A. A very good

Q. And how much in dollars and cents would the

turnover amount to altogether? A. Well, it is

difficult to tell, the market is only opening

Q. Yes? A. It is coming to something, cannot

BY THE COMMISSIONER: Can you find out as far for

this year - the year is getting on now? A. Well,

our importations would not be a fair average of what

Q. No, we are talking of your imports?

A. I could not give you those figures right now.

Q. MURPHY: O. We know what is coming in?

A. We could get the figures for you. I have not

Q. In your business I want to get what your business

Q. Our business?

A. Yes, in that line? A. Well, that is a little

hard to tell. It carries a big variety. It would save

Q. I imagine, \$15,000 to \$20,000 a month, not all

A. I mean in the last year?

Q. Are you handling anything else than these low-priced taffetas? A. We are handling satins, woven plaids, different materials.

5 Q. How much are you doing in that? A. I just gave you the figures.

Q. That is altogether? A. That is Japanese goods.

10 Q. On all the Japanese goods \$10,000 a month? A. Yes.

Q. Are you in any way specializing on this?

A. Well, we are trying to, we have to adjust ourselves to conditions. We cannot make those goods any more so that we have to import them.

15 Q. Were you making them? A. We were making similar goods.

Q. What were you making? A. We were making 27-inch rayon taffeta.

20 Q. How much 27-inch rayon taffeta did you make here? A. Oh, we probably made - we turned out altogether approximately \$35,000 to 40,000 yards a month of taffetas, and the cheap satin.

25 Q. And not making any now? A. Some we have quit and those we are making are small; we have quit the majority of them. We have been compelled to quit making them.

30 Q. Since when? A. Since Japanese goods started to come in.

BY THE COMMISSIONER: Q. How far back does that go?

Q. Are you handling anything else than these
low-priced taffetas?
A. We are handling satin.
Q. How much are you doing in that? A. I just
gave you the figures.
Q. That is altogether?
A. That is Japanese
goods.
Q. On all the Japanese goods \$10,000 a month?
A. Yes.
Q. Are you in any way specializing on this?
A. Well, we are trying to, we have to adjust our-
selves to conditions. We cannot make those goods
any more so that we have to import them.
Q. Were you making them?
A. We were making
similar goods.
Q. How much 27-inch rayon taffeta did you make in
A. On, we probably made - we turned out altogether
approximately \$35,000 to 40,000 yards a month of
taffetas, and the cheap satin.
Q. And not making any now?
A. Some we have
quit and those we are making are small; we have quit
the majority of them. We have been compelled
to quit making them.
Q. Since when?
A. Since Japanese goods
BY THE COURT: Q. How far back does that go?

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A. That goes back to about March and April.

MR. McRUER: Q. Do you make any yarns? A. Yarns we do not make.

Q. Do you use any Japanese yarns? A. We do not.

Q. Why not? A. Because probably we bought them all through Courtaulds.

Q. I am asking you why you did not import Japanese yarns? A. We have never gone into the question.

Q. Well, you have never gone into the question as to importing Japanese yarns and weaving goods here? A. My impression has been that the tariff has been too high on the yarn.

Q. Why do you say that? A. Well, That is the impression I have, that is my understanding,

Q. I would have thought if the manufacturing was anything of any importance in your business you would have looked into it? A. No doubt the Manager of the Mill has looked into it.

Q. You don't know anything about it? A. I could not say whether they have or not. I presume they would buy yarns in the cheapest market.

Q. Well, I was just wondering why you suggested the tariff was too high on yarns? A. Well, that is what I have been given to understand. That is my impression.

Q. If Japan produced yarns cheaper than other countries, I was wondering why you did not buy the yarn from Japan and produce these things here?

Q. That goes back to about March and April.

A. No, no, no, no you make any year?

Q. To not make.

A. Do you use any Japanese terms?

Q. Why not? A. Because probably no doubt.

Q. I am asking you why you did not insert the

terms? A. We have never gone into the question.

Q. Well, you have never gone into the question

as to inserting Japanese terms and writing down the

Q. My impression has been that the tariff has been

too high on the terms.

Q. Why do you say that? A. Well, that is

the impression I have, that is my understanding.

Q. I would have thought if the manufacturing

was anything of any importance in your business you

would have looked into it? A. No doubt the

management of the mill has looked into it.

Q. You don't know anything about it? A. I

could not say whether they have or not. I know

they would pay terms in the present market.

Q. Well, I was just wondering why you are not

the tariff was too high on terms? A. Well, that

is what I have been given to understand. That is

my impression.

Q. If Japan produced terms cheaper than other

countries, I was wondering why you did not pay the

A. I could very easily get that information for you.

Q. At any rate, you have not gone into it?

A. No.

5 Q. Where do you sell your fabrics - sell them to the big stores? A. We do.

Q. The cheap fabrics? A. We do.

Q. Mr. Fisher's man said that he was not able to sell the big stores? A. I cannot help that, we
10 sell them.

Q. Have you any large trade with them?

A. It is a steady trade.

15 THE COMMISSIONER: We have heard something from certain big stores while in Montreal. Better find out from the witness what stores he is referring to.

MR. McRUER: Q. What stores do you refer to?

A. Sell to the largest stores throughout the country.

Q. Sell to Eaton's? A. Yes, sir.

20 Q. Simpson's? A. Yes.

Q. Are you selling them now? A. We sell Simpson's Mail Order. We have not sold Simpson's
store any Japanese goods.

25 Q. Have you sold Eaton's since the first order - there was an order the buyer told us about?

A. We have sold him since.

Q. What did it amount to? A. We have sold him since. We have sold their stores to the West.

30 Q. To what extent? A. To the extent, up to their volume that they can use.

I could very easily get that information for you.
At any rate, you have not gone into it.
No.
Where do you sell your fabrics - sell them to
the big stores?
The cheap fabrics?
Mr. Fisher's man said that he was not sold to
sell the big stores?
A. I cannot help that, we
sell them.
Have you any large trade with them?
It is a steady trade.
The commission: he have heard something from
certain big stores while in Montreal. Better find
out from the witness what stores he is referring to.
Mr. Moore: What stores do you refer to?
A. Sell to the largest stores throughout the country.
Will you estimate?
A. Yes.
Are you selling them now?
A. We sell
Harrison's Mail Order. We have not sold Harrison's
store any Japanese goods.
Have you any other stores that sell them?
There was an order the buyer told us about.
We have sold him since.
What did it amount to?
A. We have sold him
To what extent?
To the extent, up to
their volume that they can use.

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Q. I want to know what volume they use?

A. I cannot tell exactly what they all bought, but they have bought them.

Q. Ten yards or twenty yards or a thousand yards?

A. Some could use a piece of each colour and the store used 10 yards, bought 10 yards ---

Q. I know but it does not tell us much by taking a piece of 10 yards. You surely would be able to tell us generally whether they were buying these goods?

A. They are buying them generally.

Q. In any large commercial quantities? A. They are buying them in just as large a quantity as they ever bought Canadian goods of a similar type.

Q. From you? A. Yes, from us.

Q. What about your business. Have you as many employees now as you had a year ago? A. Practically the same.

Q. The same number of employees you had a year ago?

A. Not in the mill - in our warehouse, in our mill we have not.

Q. I am talking about the number of employees - does not make much difference whether they work in the mill or the warehouse? A. We have less to-day.

Q.. How much less? A. Probably a third.

Q. Then you had a year ago? A. Correct.

THE COMMISSIONER: Better find out just what figures are referred to?

MR. McRUER: Q. How many employees a year ago?

1000

1000

I want to know what volume they used?

I cannot tell exactly what they all bought, but

they have bought them.

Ten yards or twenty yards or a thousand yards

A. Some could use a piece of each colour and the

store used 10 yards, bought 10 yards ---

I know but it does not tell us much by itself

a piece of 10 yards. You surely would be able to

tell us generally whether they were buying these

A. They are buying them generally.

In any large commercial quantities? A. The

are buying them in just as large a quantity as they

ever bought Canadian goods of a similar type.

What about your business?

Have you as

many employees now as you had a year ago? A. No

only the same.

The same number of employees you had a year ago

not in the mill - in our warehouse, in our mill

is the same.

I am talking about the number of employees -

does not make much difference whether they work in

the mill or the warehouse? A. No have I not?

How much less? A. Probably a third.

When you had a year ago? A. Correct.

The total all that? Better find out just what

figures are referred to?

How many employees a year ago?

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A. I can tell you approximately. In our mill we were employing 35 approximately a year ago and we employ 14 now.

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Q. Give us the warehouse? A. The warehouse is exactly the same.

Q. As you had a year ago? A. Yes.

Q. How many is that? A. In the warehouse, oh, probably altogether we have 25 employees.

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Q. 25 in the warehouse? A. Yes, outside of travellers, connected with the selling.

Q. Altogether how does your pay roll compare now with what it is a year ago? A. It is naturally down.

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Q. Can you tell us the pay roll? A. No. It would be naturally down with less employees.

Q. Maybe or may not be. As far as the money you are making - are you making as much money now as you were a year ago? A. Approximately the same.

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Q. So that so far as your business is concerned it has not suffered? A. No, we adjusted ourselves to conditions, naturally we had to.

25

Q. There are different sides of conditions and different ways of making money? A. Yes.

Q. The weaving end of your business was very small? A. Well, we turned out \$35,000 to 40,000 yards a month. We make about half that to-day.

30

Q. Was your business confined to low priced rayons? A. Our entire business?

A. I can tell you approximately. In our mill we were employing 35 approximately a year ago and employ 14 now.

Q. Give us the warehouse?

A. The warehouse exactly the same.

Q. As you had a year ago?

A. Yes.

Q. How many is that?

A. In the warehouse, oh, probably altogether we have 25 employees.

Q. 25 in the warehouse?

A. Yes, outside of travellers, connected with the selling.

Q. Altogether how does your roll compare now with what it is a year ago?

A. It is naturally down.

Q. Can you tell us the pay roll?

A. No. It would be naturally down with less employees.

Q. Maybe or may not be.

A. As far as the money you are making - are you making as much money now as you were a year ago?

A. Approximately the same.

Q. So that so far as your business is concerned it has not suffered?

A. No, we adjusted ourselves to conditions, naturally we had to.

Q. There are different sizes of conditions and different ways of making money?

A. Yes.

Q. The weaving end of your business was very small?

A. Well, we turned out \$50,000 to \$60,000 a month. We make about half that to-day.

Q. Was your business confined to low priced wools?

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Q. In your weaving?

A. In our weaving pretty well confined to low-priced rayons.

Q. Now, do you make the contention that the tariff is too low on those low-priced rayons from Japan?

5 A. As far as we are concerned it does not make any difference to us, I am satisfied the way it is.

Q. You realise the tariff is higher in Canada than it is in the United States? on those? A. I believe so now.

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Q. (You are not asking that you be put in any preferred position to the manufacturer in the United States?

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BY MR. KELLOCK: Q. I take it that you have seen a good many other varieties of Japanese goods for sale on the Canadian market than these very cheap rayons? A. Yes, we have.

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Q. And you are handling them yourselves?

A. I would not say high-priced lines - medium to low priced lines.

Q. Quite a variety? A. Not as yet, it takes time to have stuff made.

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Q. It takes time to penetrate in a market?

A. Naturally.

Q. But how is it moving - is the range broadening?

A. It is gradually broadening.

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Q. And these cheap taffetas that you used to manufacture and sell last year, what would those goods be used for? A. They were used for fancy

Q. In your weaving?
A. In our weaving?
Q. Now, do you make the contention that the
is too low on those low-priced rays from Japan?
A. Later as we are concerned it does not make any
difference to us, I am satisfied the way it is.
Q. You realize the tariff is higher in Canada
than it is in the United States?
A. I believe so now.
Q. You are not asking that you be put in any
preferred position to the manufacturer in the United
States?
BY MR. KILGORE: Q. I take it that you have a
a good many other varieties of Japanese goods for
sale on the Canadian market than these very cheap
reynolds?
A. Yes, we have.
Q. And you are handling them yourselves?
A. I would not say high-priced lines - medium to
low priced lines.
Q. Quite a variety?
A. Not as yet, it takes
time to have stuff made.
Q. It takes time to penetrate in a market?
A. But how is it moving - is the range broadening
- it is broadening.
Q. And there are only tariffs that you need to
manufacture and sell that year, that would those
goods be used for?

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Norheott, By
Mr. Kellock.

work, bedspreads, cheap slips, cushions,

Q. What is filling that demand now? A. The
Japanese goods.

5 MR. McRUER: Q. All? A. As far as we are
concerned it is all.

Q. I mean, my friend asked you what is filling
the demand? A. Well, it is taking the place
10 of a big proportion of it, yes.

Q. One would think there would be a lot more
imported.

MR. KELLOCK: Q. What I am asking, if my friend
will permit me; you are selling now Japanese goods
15 for the very purposes that last year you were
manufacturing and selling your own goods?

A. Yes, correct.

Q. And the result of the change in that you have
had to dispense with the services of 21 of your male
20 employees? A. 14.

Q. I think last year you had 35 and this year 14?
A. Yes, I believe that is correct.

THE COMMISSIONER: That makes a difference of 21?
25 A. Yes, 35 and we have 14 now, a difference of 21.

Q. You have had to let 21 men go? A. Yes.

Q. And you have been able to adjust yourselves to
the changed condition by importing and selling the
30 Japanese goods. Do you know how the 21 men you
have been forced to let go have adjusted e themselves

1955

Northeast, W.

work, bedspreads, cheap slippers, cushions,

Q. What is filling that demand now?

MR. MORUM: Q. All?

concerned it is all.

Q. I mean, my friend asked you what is filling

the demand? A. Well, it is taking the place

of a big proportion of it, yes.

Q. One would think there would be a lot more

MR. KILLOCK: Q. What I am asking, if my friend

will permit me; you are selling now Japanese goods

for the very purposes that last year you were

manufacturing and selling your own goods?

Q. And the result of the change in that you have

had to displace with the services of 21 of your male

employees? A. 14.

Q. I think last year you had 35 and this year 14

A. Yes, I believe that is correct.

THE COMMISSIONER: That makes a difference of 21?

A. Yes, 35 and we have 14 now, a difference of 21.

Q. You have had to let 21 men go? A. Yes.

Q. And you have been able to adjust yourselves to

the changed condition by importing and selling the

Japanese goods. Do you know how the 21 men you

have been forced to let go have adjusted a themselves

to the changed conditions? A. I don't know.

Q. At any rate, as far as your company is concerned you simply had to add them to the unemployed?

A. Exactly, as far as we were concerned.

5 MR. McRUER: So we should therefore stop trade with Japan altogether.

MR. KELLOCK: I am not arguing, I am just bringing out the facts.

10 MR. McRUER: I think that is all for Toronto and we will open up at Dunnville at 2 o'clock tomorrow.

15 MR. KELLOCK: My lord, there is one thing I would like to complete the record if I may and that is in discussing the situation in the cotton industry in England yesterday there was a comparison made between the situation in England and in Canada and dividends paid and just for the information of the Commission I should like to file the Customs and
20 Excise Tariff of the United Kingdom, which shows on page 51 that the import duties on manufacturers of cotton into England are 20 per cent ad valorem.

25 EXHIBIT 670: Customs and Excise Tariff of the United Kingdom in operation on the 1st January, 1936.

THE COMMISSIONER: Is that the only duty?

30 MR. KELLOCK: Apparently, my lord, and that has existed since 1932, and I am told there is a 15% preference for Empire countries only.

-- Adjourned at 5.15 P.M. to resume in Dunnville, Ont. Thursday, October 8, 1936, at 2 P.M.

to the changed conditions? A. I don't know.

At any rate, as far as your company is concerned.

You simply had to add them to the unemployed?

A. Exactly, as far as we were concerned.

MR. NORBROOK: So we should therefore stop trade

with Japan altogether.

MR. KINLOCK: I am not arguing, I am just bring

ing out the facts.

MR. NORBROOK: I think that is all for Toronto

and we will open up at 2 o'clock to-

TORONTO.

MR. KINLOCK: My lord, there is one thing I

would like to complete the record if I may and that

is in discussing the situation in the cotton industry

in England yesterday there was a comparison made

between the situation in England and in Canada

and dividends paid and just for the information of

Commission I should like to file the Customs and

Excise Tariff of the United Kingdom, which shows

on page 51 that the import duties on manufacturers

of cotton into England are 30 per cent ad valorem.

EXCISE AND CUSTOMS TARIFF OF THE UNITED KINGDOM

of the United Kingdom in

operation on the 1st January,

1936.

THE COMMISSIONER: Is that the only duty?

MR. KINLOCK: Apparently, my lord, and that is

existed since 1932, and I am told there is a 10%

preference for machine cottons only.

--adjoined at 2.15 P.M. to resume in Dunville,

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

5

10

SIXTY-FIFTH DAY

(October 8, 1936)

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Robert Brydie,
Official Reporter.

ROYAL CANADIAN MOUNTED POLICE

W. J. JONES, P. A. J. JONES

Witnessed by

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W. J. JONES, P. A. J. JONES

Witnessed by

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8897

ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner,

A.S. Whiteley, Secretary.

A p p e a r a n c e s:

J.C. McRuer, K.C. and	)	Commission
E. Beauregard, K.C.	)	Counsel.
J.P. Lanctot, K.C.,	)	For Special Committee
and	)	on Primary Textile
R.L. Kellock, K.C.	)	Industries.
C.G. Heward, K.C.)	
Aime Geoffrion, K.C.	)	For Dominion Textile
and	)	Company.
C.T. Ballantyne,)	
S.G. Dixon, K.C.	)	For Courtaulds, Limited,
L.A. Forsyth, K.C.	)	For Canadian Celanese Ltd
	)	and Canadian Silk Pro-
	)	ducts Limited.

-- oOo --

1917

STATE OF NEW YORK

IN SENATE,
January 1, 1917.

REPORT

OF THE

COMMISSIONERS OF THE LAND OFFICE

ALBANY:

W. H. BROWN, COMMISSIONER.

NEW YORK: J. B. LIPPINCOTT COMPANY, 1917.

W. H. BROWN, COMMISSIONER.

NEW YORK: J. B. LIPPINCOTT COMPANY, 1917.

W. H. BROWN, COMMISSIONER.

NEW YORK: J. B. LIPPINCOTT COMPANY, 1917.

W. H. BROWN, COMMISSIONER.

— 2 —

Dunnville, Ontario,
October 8, 1936,
2 o'clock p.m.

-- The Commission resumed at 2 p.m.

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THE COMMISSIONER: Very well, Mr. McRuer.

MR. McRUER: Mr. Burns.

JOHN A. BURNS, sworn,

EXAMINED BY MR. McRUER:

10

Q. Mr. Burns, you are connected with the Monarch Knitting Company, Limited? A. Yes, sir.

Q. In what capacity? A. President and general manager.

15

Q. How long have you been president and general manager? A. I have been president since 1928.

Q. Yes? A. And general manager since the inception of the company.

Q. That was in what year? A. In 1912.

20

Q. And the Monarch Knitting Company on its incorporation in 1912 took over some other companies, did it not? A. Yes, sir.

Q. What companies did it take over?

A. It took over the Monarch Knitting Company.

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BY THE COMMISSIONER: Q. What? A. The Monarch Knitting Company.

Q. The same name? A. The same name.

BY MR. McRUER: Q. Was that an incorporated company? A. Yes, sir.

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Q. Was there an amalgamation of any other companies?

Continued from
 October 19, 1934
 2 o'clock p.m.

The Commission resumed at 2 p.m.

THE COMMISSIONER: Very well, Mr. McNair.

MR. McNair: Mr. Burns.

 Mr. McNair, please.

EXAMINED BY MR. McNair:

Q. Mr. Burns, you are connected with the Burns

A. Yes, sir, Knitting Company, Limited.

Q. In what capacity?

Q. How long have you been president and general

A. I have been president since

Q. Yes? A. And general manager since

inception of the company.

Q. That was in what year?

A. In 1912.

Q. And the Montreal Knitting Company on its incorporation in 1912 took over some other companies

A. Yes, sir.

Q. What companies did it take over?

A. It took over the Montreal Knitting Company.

Q. Was there an amalgamation of any other companies

A. The same name.

BY MR. McNair: Q. Was there an incorporated company

A. Yes, sir.

Q. Was there an amalgamation of any other companies

A. No, sir.

Q. Were you connected with the first Monarch Knitting Company?

A. Yes, sir.

Q. In what capacity?

A. General manager.

Q. How long were you the general manager that company?

A. From the start of it in 1908.

Q. 1908?

A. Yes.

Q. When it started in 1908 did it take over the business of some other company?

A. It

took over a partnership business.

Q. What was the partnership business it took over?

A. The Monarch Knitting Company.

Q. Who were the partners in that company?

A. F. R. Lalor, George H. Orme and myself.

Q. When did you form that partnership?

A. In 1903.

Q. 1903; was that the beginning of the business, Mr. Burns?

A. Yes, sir.

Q. So that in 1903 you, Mr. Lalor and Mr. Orme went into a partnership in a company -- in a partnership known as the Monarch Knitting Company?

A. Yes, sir.

Q. And at that time did you own any plant?

A. No, sir.

Q. You started, I might say, from scratch at that time?

A. Yes, sir, from scratch.

Q. Now, Mr. Burns, I want to go into the financial development of your business, but before I commence that I wonder if you would be good enough to send to

A. No, sir.

Q. Were you connected with the first Monarch Knitting Company?

A. Yes, sir.

Q. In what capacity?

A. General manager.

Q. How long were you the general manager of that company?

A. From the start of it to 1908.

Q. When it started in 1908 did it take over a business of some other company?

A. Yes.

Q. What was the partnership business it took over?

A. The Monarch Knitting Company.

Q. Who were the partners in that company?

A. F. R. Baker, George H. Stone and myself.

Q. How long did you stay in that partnership?

A. In 1908.

Q. 1908; was that the beginning of the business?

A. Yes, sir.

Q. So that in 1908 you, Mr. Baker and Mr. Stone went into a partnership in a company -- in a business known as the Monarch Knitting Company?

A. Yes, sir.

Q. And at that time did you own any plants?

A. No, sir.

Q. You started, I might say, from scratch as far as the business was concerned?

A. Yes, sir.

Q. Now, Mr. Baker, I want to go into the financial statement of your business, but before I do that I want to know if you would be good enough to tell me

if I would be good enough to tell me

if I would be good enough to tell me

if I would be good enough to tell me

if I would be good enough to tell me

if I would be good enough to tell me

if I would be good enough to tell me

your office for any correspondence that you might have there with the Primary Textile Institute or Mr. Hallam? A. The Primary Textile?

Q. Or Mr. Hallam? A. Yes.

5 Q. Can you arrange to have that sent over so it will be available later on? A. I suppose I could telephone.

Q. Yes, have you anyone that could telephone for you? A. Is there a telephone here?

10 Q. Might I have him excused for a moment, my lord?

THE COMMISSIONER: Yes.

THE WITNESS: Both lines are busy.

BY MR. McRUER: Q. We can go on for a little while?

15 Well now, when you three gentlemen entered into the partnership in 1903 what capital did you subscribe to the partnership? A. Capital?

Q. Yes. A. At that time -- I think the money that was put up was put up on two or three occasions if I remember correctly.

20 Q. Well, do you remember how much you put up at first? A. I think that if my recollection is correct on that that altogether we put up \$7,500.

25 Q. \$7,500? A. Yes, sir.

Q. Each or the three of you? A. Yes, it was not -- that was not really, I suppose, our capital. It was a line of credit that Mr. Lalor, who was a well to do man, arranged with the banks that really financed us.

30 Q. At any rate, you became responsible for it

your office for any correspondence that you might
have there with the Primary Textile Institute or
The Primary Textile?
A. Yes.
Q. Can you arrange to have that sent over so I
will be available later on?
A. I suppose I
could telephone.
Q. Yes, have you anyone that could telephone to
you?
A. Is there a telephone here?
Q. Might I have him excused for a moment, my I
THE COMMISSIONER: Yes.
THE WITNESS: Four times one busy.
BY MR. McHUGH: Q. We can go on for a little while
Well now, when you three gentlemen entered into
the partnership in 1903 what capital did you sub-
scribe to the partnership?
A. Definitely
Q. Yes.
A. At that time -- I think the
that was put up was put up on two or three occasions
if I remember correctly.
Q. Will you remember the amount of money put up
first?
A. I think that it was
recollection is correct on that that altogether
put up \$7,500.
Q. \$7,500?
A. Yes, sir.
Q. Each of the three of you?
A. Yes.
was not -- that was not really, I suppose, our
capital. It was a line of credit that Mr. [unclear]
who was a well to do man, or acted with the bank
that really financed us.
Q. At any rate, you became responsible for it

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whether you had your own money or borrowed it from the bank, it does not make much difference; you three gentlemen became responsible for \$7500? A. Yes.

Q. Which formed the original capital of the company?

A. Yes.

Q. Then, did you subscribe additional capital between then and 1908 when the first company was incorporated? A. No. My recollection is

that there was no money drawn out of the business but the profits were allowed to accumulate and buy additional equipment as we needed it.

Q. So that the business built itself up?

A. Yes. If you will excuse me now. (Witness leaves stand to telephone).

Q. Well then, from 1903 to 1908 the profits were allowed to accumulate; I suppose you drew out something in the nature of salary or a living allowance or something? A. It was in the nature of a salary, sir.

Q. Have you any idea how much? A. Yes, sir.

Q. How much it would be? A. Yes, I remember very distinctly it was \$10 a week.

Q. \$10 a week, I see; was that all that each of you drew out? A. Mr. Lalor did not draw any and Mr. Orme did not draw any because he sold our goods on commission.

Q. He sold the goods on commission? A. Yes.

Q. Mr. Orme was the salesman? A. Yes.

Q. Did you sell any goods? A. No, my business

whether you had your own money or borrowed it from
bank, it does not make much difference; you three
Gentlemen became responsible for \$7500?
A. Yes.
Q. Which formed the original capital of the company?
A. Yes.
Q. Then, did you subscribe additional capital
between then and 1908 when the first company was in-
corporated?
A. No. My recollection is
that there was no money drawn out of the business but
the profits were allowed to accumulate and buy addi-
tional equipment as we needed it.
Q. So that the business built itself up?
A. Yes. If you will excuse me now. (Witness leaves
stand to telephone).
Q. Well then, from 1908 to 1908 the profits were
allowed to accumulate; I suppose you drew out some-
thing in the nature of salary or a living allowance?
A. It was in the nature of a
or something?
Q. Have you any idea how much?
A. Yes.
Q. How much it would be?
A. Yes, I remember
very distinctly it was \$10 a week.
Q. \$10 a week, I see; was that all that each of
you drew out?
A. Mr. Belor did not draw
any and Mr. Ames did not draw any because he sold
goods on commission.
Q. He sold the goods on commission?
A. Yes.
Q. Mr. Ames was the salesman?
A. Yes.
Q. Did you sell any goods?

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was inside.

Q. Inside; was your sole remuneration over that period of five years \$10 a week? A. No. The first year I remember distinctly it was that, and that was an advance over what I had been getting in the other position that I held.

Q. With some other company? A. With the post office department.

Q. You would be quite a young man then; then, over the remainder of the period did it increase? A. I think as time went on that I gradually got an increase.

Q. Well then, the company was incorporated in 1908 and I wonder if you have got the particulars of the incorporation with the share capital, and so on?

MR. KELLOCK: The witness prepared a memorandum, Mr. McRuer, which might be convenient. I have a copy and I think Mr. Burns has a copy he can let you have. There is the whole story there.

THE COMMISSIONER: He will just read it then?

MR. McRUE R: Yes. It reads as follows -- you can just follow me if you have your copy, Mr. Burns -- I may want to ask you some questions.

"This business commenced as a partnership at Dunnville, Ontario, in the year 1903. Two of the three partners died some years ago, the remaining partner being Mr. J.A. Burns who is now the president of the present company. In 1908 a company was incorporated called the Monarch Knitting Company, Limited, which took over the business of the partnership, the capital of the company con-

Q. In 1908; was your sole remuneration over the
period of five years \$10 a week?
A. No. In
first year I remember distinctly it was five, and
was an advance over what I had been getting in the
other position that I held.

Q. With some other company?
A. With the
your other company.

Q. You would be quite a young man then; then,
the remainder of the period did it increase?
A. Yes.
Q. Well then, the company was incorporated in

and I wonder if you have got the particulars of the
incorporation with the share capital, and so on?
A. Yes. The witness prepared a memorandum

Mr. McBurnet, which might be convenient. I have a
and I think Mr. Burns has a copy he can let you have
There is the whole story there.

THE COMMISSIONER: He will just read it then?
MR. McBurnet: Yes. It reads as follows -- you can
just follow me if you have your copy, Mr. Burns --
I want to ask you some questions.

"This business commenced as a partnership of
Dundasville, Ontario, in the year 1903. Two of
the three partners died some years ago, the re-
maining partner being Mr. J.A. Burns who is now the
president of the present company. In 1908 a
company was incorporated called the Dundasville
Company, Limited, which took over the business
the partnership, the capital of the company con-

"sisting of 15,000 preference shares"--

A. 1500.

Q. "1,500 preference shares and 100 common shares"--

A. 1,000.

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Q. Yes, I am reading a line too fast, and "1,000 common shares of \$100 par value each."

BY THE COMMISSIONER: Q. Were they all \$100, that is, the preference shares too? A. Yes, sir.

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BY MR. McRUER: Q. So that for the \$7500 that the three of you invested in 1903 you turned over the business with its accumulation of profit as it had been built up for \$150,000 in preference shares and \$100,000 in common shares? A. That is correct, sir.

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Q. No additional cash was put into it at the time of the incorporation? A. Just the accumulated profits.

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Q. Just the accumulated profits; have you anything that tells us what the accumulated profits were at that time? A. I think I have something. This statement is the balance sheet as of January 15, 1908 when the first incorporation took place.

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Q. Well, this shows capital account of \$250,000 but there is \$91,520 in the assets as good will?

A. Yes.

Q. So that the cash profit that had been made would be \$250,000 less \$91,000? A. Yes, sir.

Q. Which would be about \$140,000, or \$139,000.

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BY THE COMMISSIONER: Q. How was the \$91,000 made up? A. Good will is all it says, my lord.

"raising of 15,000 preference shares"

A. 1500.

Q. "1,500 preference shares and 100 common shares"

A. 1,000.

Q. Yes, I am reading a line two feet, and "1,500"

common shares of \$100 par value each."

BY MR. MONROE: Q. So that for the \$1500 that

the three of you invested in 1908 you have been

business with its accumulation of profits as it has

been built up for \$150,000 in preference shares and

\$100,000 in common shares. A. That is correct.

Q. No additional cash was put into it of the

of the accumulation? A. Just the accumulation

profits.

Q. Just the accumulated profits; have you any

that tells us what the accumulated profits were at

that time? A. I think I have something.

This statement is the balance sheet as of January

1908 when the first incorporation took place.

Q. Well, this shows capital account of \$250,000

but there is \$91,500 in the assets as good will?

A. Yes.

Q. So that the cash profit that had been made

which would be about \$140,000, or \$135,000.

BY THE CHAIRMAN: Q. How was the \$1,000 in

A. Good will is all it says, my lord.

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BY MR. McRUER: Q. I rather take it you were going to issue \$250,000 in stock so that you took the difference between what your assets showed and the \$250,000, subtracted it and put it in as good will as against the stock? A. It would appear like that.

Q. That looks like what it works out as.

MR. KELLOCK: It would not be carried --

THE COMMISSIONER: That would make \$299,000.

MR. McRUER: Yes.

THE COMMISSIONER: Well then, you take off the liabilities, of course.

MR. McRUER: The liabilities were taken off; in order to make the liabilities balance with the assets they inserted the difference as good will, yes. Then, I think I should file this statement, my lord.

THE COMMISSIONER: This will be exhibit 671, that is to say, you are filing this statement and the document you are reading is to be filed too, won't it?

MR. McRUER: Yes, a copy of it should be filed.

THE COMMISSIONER: You better tie them together and make them one exhibit. It will be statement and balance sheet, 671.

EXHIBIT NO. 671: Statement re history of Monarch Knitting Company, Ltd., and balance sheet as of January 15, 1908.

MR. McRUER: I gave a figure there of \$139,000; my arithmetic is bad, it is \$159,000 instead of \$139,000, would be cash profit, at least, cash or the equivalent as a result of the \$7,000 investment. Well then,

BY MR. HOBURN: Q. I rather take it you were going to issue \$200,000 in stock so that you took the difference between what your assets showed and the \$200,000, subtracted it and put it in as good will against the stock? A. It would appear in the t.

Q. That looks like what it works out to.

MR. KILLOCK: It would not be carried --

MR. HOBURN: Yes.

THE COMMISSIONER: Well then, you take off the liabilities, of course.

MR. HOBURN: The liabilities were taken off; in order to make the liabilities balance with the assets they inserted the difference as good will, yes.

THE COMMISSIONER: This will be exhibit 671, is it to say, you are filing this statement and the document you are reading is to be filed too, won't it? MR. HOBURN: Yes, a copy of it should be filed.

THE COMMISSIONER: You better tie them together and make them one exhibit. It will be statement and balance sheet, 671.

EXHIBIT NO. 671: Statement re history of ... balance sheet as of January 1, 1912.

MR. HOBURN: I have a figure there of \$125,000, arithmetic is bad, it is \$125,000 increase of \$125,000 would be cash profit, at least, cash on the balance as a result of the \$7,500 investment. Well then,

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we get started with the new company in 1908.

"The capital of the Company was in 1911 increased by a stock dividend to the shareholders of an additional 1,000 preference Shares and 1,500 Common Shares."

Now, the shareholders, of course, would be yourself, Mr. Orme and Mr. Lalor? A. Yes, sir, their wives had qualifying shares to make the five.

BY THE COMMISSIONER: Q. It is a Dominion company?

A. No, Provincial, sir.

MR. McRUER: They required five shareholders in the Province of Ontario at that time, my lord.

"The balance sheet as at January 15, 1912 showing Capital outstanding as follows: Preference Shares (par value) \$250,000, Common Shares (par value) \$250,000, Undivided Surplus, \$281,634, a total Capital and Surplus of \$781,634."

Now, would it be correct to say that your investment of \$7,500 in 1903 by 1912 had grown to \$781,634?

A. I don't know just how that figure is made up. I will see if I have anything.

Q. Have you got your balance sheets for the intervening years? You have furnished them -- commencing with 1912 we have full and complete information.

MR. KELLOCK: 1908.

MR. McRUER: Commencing with 1912 we have full and complete information already furnished to the auditor. Have you got the balance sheets from the incorporation of the company, of the first company, down to the incorporation of the second company because I want to

1908

1908

We got started with the new company in 1908.

"The capital of the company was in full in 1908 by a stock dividend to the shareholders of an additional 1,000 preference shares and 1,500 common shares."

Now, the shareholders, of course, would be your Mr. Orme and Mr. Laford.

Wives had qualifying shares to make the five.

BY THE CHARTERED ACCOUNTANTS: A. It is a Hamilton company.

A. No, provincial, sir.

MR. MORRIS: They received five shareholders in the Province of Ontario at that time, my home.

"The balance sheet as of January 15, 1913 and Capital outstanding as follows: Preference (par value) \$250,000, Common Shares (par value) \$250,000, Capital and Surplus of \$781,584."

Now, would it be correct to say that your investment of \$7,500 in 1908 by 1913 had grown to \$781,584?

A. I don't know just how that figure is made up. Will see if I have anything.

A. Have you got your balance sheets for the intervening years? You have furnished them -- commencing with 1913 we have full and complete information.

MR. MORRIS: Commencing with 1913 we have full complete information already furnished to the company. Have you got the balance sheets from the incorporation of the company, of the first company, down to the incorporation of the second company because I was

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get it accurately?

A. Yes, I tried to think of everything possible.

Q. Yes, I know, I am not criticizing you, Mr. Burns?

A. It is a little difficult to remember everything.

5 Q. I just want to make sure that I am accurate in what I have. If you have that balance sheet of January 15, 1912 it might assist me because it is the one you refer to in this statement. A. That is January 15, 1912, is that it?

10 Q. It is just one step later on, what I want. I think this is it; yes, this is it, Mr. Burns, the balance sheet as of January 15, 1912? A. Yes.

15 Q. This gives the figures I am looking for. This is a comparative one. Have you got your statement of assets and liabilities as of January 15, 1912?

A. I don't seem to have that. I thought that would show it. That shows the situation as of January 15, 1912.

20 Q. Yes, that is right, I did not see how those two balanced, that is quite right. Then, this may be attached to this exhibit 671, my lord, and it is a balance sheet as of the 15th of January, 1912 of the Monarch Knitting Company with a comparison between the old company and the new company. It is a comparison set up in starting the new company off. This shows
25 capital stock, preferred, \$250,000; common stock, \$250,000; profit and loss account \$281,634.61, reserve for depreciation \$40,000 making total liabilities of \$821,634.61. Assets, inventories \$362,762.59; travellers trunks \$574.60; properties and equipment (
30 (expenditures January 15th to April 1st, \$66,622.26),

everything possible.

Q. Yes, I know, I am not overlooking you, Mr. ...

A. It is a little different to remember everything

Q. I just want to make sure that I am accurate

I have. It you have that before sheet of paper

this is might assist me because it is the one you

to in this statement.

is that it?

Q. It is just one step later on, and I want

think this is it; yes, this is it, Mr. ...

reference sheet as of January 15, 1911?

Q. Will you please state the date of the

is a comparative one. Have you got your statement

assets and liabilities as of January 15, 1911?

A. I don't seem to have that. I think that would

17. That shows the situation as of January 15, 1911.

Q. Now, let us turn to the other side of the

two balances, that is quite right. Now, this may

be added to the exhibit 67, Mr. ...

related assets as of the 15th of January, 1911 or the

between the old company with a comparison between

the old company and the new company. It is a comparison

set up in setting the new company off. This shows

capital stock, preferred, \$250,000; common stock,

\$250,000; profit and loss account \$251,614.61, less

of depreciation \$40,000 making total liabilities of

\$251,614.61.

Assets, Investments \$252,750.00;

Q. Now, let us turn to the other side of the

Q. Now, let us turn to the other side of the

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the figures for properties and equipment is \$369,149.67. Then, good will, contracts, patents, etc., \$97,520.54 making a total of \$830,007.40, less excess of loans and accounts payable over bank accounts and accounts receivable, \$8,372.79, or total assets of \$821,634.61, but, to make a fair comparison we must again deduct from that \$97,720.54 that is in for good will?

A. Good will is valuable.

Q. Yes, I know, but I am getting at your cash profits, you see, what the \$7,500 developed into over this period of years, and while your good will may have been valuable it was not a tangible cash asset that you had received out of the business.

MR. KELLOCK: Mr. McRuer, it might have been a cash expenditure in advertising, patents and so on.

MR. McRUER: If you want to have it that way I am quite willing to take \$821,634.61 as the figure into which \$7,500 multiplied over the period of years.

MR. KELLOCK: I don't know what the fact is; I am merely pointing out you might ask the witness.

MR. McRUER: Well, I want to be conservative in any figure that we arrive at, and make sure it is an actual cash figure, but I will put it this way, leaving aside goodwill altogether the \$7,500 you had invested, you three gentlemen had invested in the company in 1903 by 1912 had become \$724,114.07? A. If your figures are correct, that is so.

Q. Leaving out good will? A. Yes, we had spent some money on things that went into that

the figures for properties and equipment in \$330,100.
Then, good will, accounts, patents, etc., \$37,500
making a total of \$830,000.40, less excess of loan
and accounts payable over bank accounts and account
receivable, \$8,250.75, or total assets of \$821,689.65
but, to make a fair comparison we must again deduct
from that \$37,500.40 that is in for good will?
A. Good will is valuable.
Q. Yes, I know, but I am getting at your cash
profit, you see, what the \$7,500 developed into over
the period of years, and while your good will may
have been valuable it was not a tangible cash asset
that you had received out of the business.
MR. KENNEDY: Mr. McNair, it might have been a
expenditure in advertising, patents and so on.
MR. McNair: If you want to have it that way I
am quite willing to take \$821,689.65 as the figure in
which \$7,500 multiplied over the period of years.
MR. KENNEDY: I don't know what the test is; I
am only pointing out you might ask the witness.
MR. McNair: Well, I want to be conservative in
figure that we arrive at, and make sure it is an
actual cash figure, but I will put it this way, for
also goodwill altogether the \$7,500 you had there
you three gentlemen had invested in the company in
A. It was
by 1912 had become \$784,114.07?
figures are correct, that is so.
A. Yes, we
and spent some money on things like that

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good will. I can just recall --
Q. That may be, it may be.

THE COMMISSIONER: There is no question of the good will being over valued. You are trying to trace the actual money up?

MR. McRUER: The actual money up; we have stock issued as against the good will of \$97,520.54. Then, the next step we come to is --

THE COMMISSIONER: I suppose the way things went the good will must have been very valuable.

MR. McRUER: I would think that \$97,000 is a very modest valuation to put on the good will at that time, and, as a matter of fact, when the new company was incorporated the good will was valued at \$1,045,905.34, in 1912. I am just coming to that now. Now, your statement goes on --

"In April, 1912, the business was sold and a new Company with same name as the old Company was incorporated under Ontario charter which acquired from the purchasers the whole of the business and undertaking of the old Company and assumed its liabilities. The capital was constituted as follows: 7,500 7% Cumulative Preference Shares of \$100 each, 12,750 Common Shares of \$100 each.

An offering to the public was made of the 7,500 7% Cumulative Preference Shares at 100, carrying a bonus of 15% of Common Stock amounting to a total of 1,125 Common Shares. Of the \$1,275,000 par value of Common Shares, \$1,045,905 was represented by goodwill, contracts and trademarks. Of these

Good will. I can just recall --
A. That may be, it may be.

THE COMMISSIONER: There is no question of the
will being over valued. You are trying to trace

actual money up?

MR. BRYDIE: The actual money up; we have looked
I traced an amount the good will at \$37,500.00. The

the next step we come to is --

THE COMMISSIONER: I suppose the way things were
the good will must have been very valuable.

MR. BRYDIE: I would think that \$37,500 is a very
lowest valuation to put on the good will at that
and, as a matter of fact, when the new company was
incorporated the good will was valued at \$1,000,000
in 1912. I am just coming to that now. Now, your

statement goes on --

"In April, 1912, the business was sold and a
company with same name as the old company was
incorporated under Ontario charter which acquired
from the predecessor the whole of the business
undertaking of the old company and assumed its
liabilities. The capital was constituted as

(Witness: I am in position to state that
\$100 each, 12,750 common shares of \$100 each.
an offering to the public was made of the

12,750 cumulative preference shares at 100, carrying
a bonus of 1/4 of common stock amounting to
of 1,250 common shares. Of the \$1,250,000
value of common shares, \$1,045,000 was received
by Goodwill, preference and the balance. Of the

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"Common Shares the management of the former Company, which continued in charge of the new Company, purchased 10,500 shares while an additional 250 shares were set aside for employees of the Company and the remaining 875 Common Shares sold privately."

BY THE COMMISSIONER: Q. Pardon me, the shares set aside for employees were common shares? A. Yes, sir.

Q. They were given to them? A. Given.

BY MR. McRUER: Q. "There was, therefore, no general public offering of Common Shares outside of the 1,125 shares allotted as a bonus to subscribers to the Preference Shares."

Now, just to stop there for a moment; now, the new capital set up then was 750,000 of the preferred stock, \$750,000 preferred stock, and the \$1,275,000 in common stock. Now, apparently with the exception of the 250 shares set aside for the employees -- I do not get my arithmetic worked out there --

MR. KELLOCK: Here it is here.

BY MR. McRUER: Q. You and Mr. Lalow took 10,500 --

MR. KELLOCK: They bought them.

BY MR. McRUER: You bought 10,500 of the common stock? A. Yes, sir.

Q. Did you buy them outright? A. Yes, sir.

Q. How much did you pay for them? A. I tried very hard to find the records in connection with that but I could not, but my recollection is it was \$25.00 a share.

Q. I suppose you paid for it really out of the profits that you had made in the old company? A. No,

"Common shares the management of the former Co
which contained in charge of the new company,
purchased 10,000 shares with an additional 250
shares were set aside for employees of the Co.
and the remaining 875 Common Shares sold priv
at the same time as G. Pearson Co., the shares
set aside for employees were a new company?
Q. They were given to them?
BY MR. RHYDIE: "There was, therefore, no
public offering of Common Shares outside of
1,125 shares allotted as a bonus to employees
to the Preference Shares."
Now, just to stop there for a moment; now, the new
capital set up then was \$50,000 of the preference
\$150,000 preferred stock, and the \$1,250,000 in co
stock. Now, apparently with the exception of the
shares set aside for the employees -- I do not get
arithmetically worked out there --
MR. RHYDIE: Here it is here.
BY MR. RHYDIE: Q. You said Mr. Talbot took 10,000
MR. RHYDIE: They bought them.
BY MR. RHYDIE: You bought 10,000 of the company
A. Yes, sir.
Q. Did you buy them outright?
A. Yes, sir.
Q. How much did you pay for them?
A. I
very hard to find the records in connection with
I could not, but my recollection is it was \$25.00
shares.
Q. I want you to tell me if you recall
this is that you had made in the old company? A.

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we paid for it out of money that A. E. Ames & Company paid for the old company.

Q. Well, that is just a different way of putting it.

A. E. Ames & Company were the financial agents who handled the re-financing? A. Yes, sir.

Q. And they bought out the old company, and the capital structure was reconstructed and then they paid you and Mr. Lalor for your interest in the old company?

A. Yes, sir.

Q. How much did they pay you and Mr. Lalor for your interest in the old company? A. The two of us?

A. Yes. A. Or the three; they paid \$750,000 for the old company.

Q. They paid \$750,000 for the old company?

A. Yes, sir.

Q. So that the three of you got in cash in 1912 \$750,000 for the original investment of \$7,500?

A. That is correct, sir.

Q. And then you reinvested in the new company in the manner in which you have stated here? A. Mr. Lalor and myself did.

then
Q. Mr. Orme was out of it? A. Yes, he was out of it excepting for a position for a short time.

Q. But out of it financially? A. Yes.

Q. Then, as to the 250 shares that were set aside for employees, what employees did those shares go to?

A. What employees, you mean their names?

Q. No, how did you select the employees that were to get the 250 shares? A. Well, it was on

my recommendation, I recommended that our superintendent

we paid for it out of money that A. E. Ames & Co.
paid for the old company.

Q. Well, that is just a different way of putting

A. E. Ames & Co. were the financial agents who

handled the re-financing? A. Yes, sir.

Q. And they bought out the old company, and then they

capital structure was reconstituted and then they

you and Mr. Tabor for your interest in the old com

A. Yes, sir.

Q. How much did they pay you and Mr. Tabor for

interest in the old company? A. The two of

Q. Yes. A. Or the three; they paid \$750,000

for the old company.

Q. They paid \$750,000 for the old company?

A. Yes, sir.

Q. So that the three of you got in cash in 1911

\$750,000 for the original investment of \$7,500?

A. That is correct, sir.

Q. And then you reinvested in the new company

A. In the manner in which you have stated here?

Tabor and myself did.

Q. Mr. Orme was out of it? A. Yes, he was

of it excepting for a position for a short time.

Q. But out of it financially? A. Yes.

Q. Then, as to the 250 shares that were set as

the employees, that employees the same shares as

A. What employees, you mean their names?

Q. No, how did you select the employees that

to get the 250 shares? A. Well, I was

recommending, I recommended that our superior

and foremen, foreladies, I think that is the way it was distributed, and I think our sales manager got some.

Q. Were they given to them as a bonus or did they pay for them over a period of years, or how did it go?

5 A. No, we figured they were faithful employees of the company and when we were selling out our company that it was a nice thing to provide that they would get some reward.

10 Q. How many employees would these 250 shares be divided among? A. Oh, not very many; let me see, I think ten shares apiece or something of that kind; I think it was about ten shares apiece.

15 Q. Probably divided among about 25 employees, the old employees that had been with you? A. Yes.

Q. Those that had been with you from the inception of the company or for some time? A. Yes, I think most of them had been with us for a number of years anyway.

20 Q. Well now, the money that would be brought into the company at that time would be \$250,000?

A. Yes, I think it states that here, doesn't it?

25 Q. Yes, your statement, this comparative statement, gives the capital structure of the new company, the inventories which are carried forward, cash on hand and in banks, accounts receivable --

MR. KELLOCK: That is right.

BY MR. McRUER: Q. \$250,000 would be the new money brought into the company at that time?

30 A. Yes, sir.

Q. Then, as I understand it from the statement

and tomen, forafelies, I think that is the way I
distributed, and I think our sales manager got some
Q. Were they given to them as a bonus or did
pay for them over a period of years, or how did it
A. No, we figured they were selling out our company
company and when we were selling out our company
it was a nice thing to provide that they would get
reward.
Q. How many employees would have \$50 shares
divided among? A. Oh, not very many; I think
yes, I think ten shares apiece or something of that
kind; I think it was about ten shares apiece.
Q. Probably divided among about 10 employees.
A. Yes, the old employees that had been with you?
Q. Those that had been with you from the time
of the company or for some time? A. Yes, I
think most of them had been with us for a number of
years anyway.
Q. Well now, the money that would be brought
the company at that time would be \$50,000
A. Yes, I think it would be that, doesn't it?
Q. Yes, your statement, that company was started
gives the capital structure of the new company, the
inventories which are carried forward, cash on hand
and in bank, accounts receivable --
MR. LILLOE: That is right.
BY MR. McLELLIN: Q. \$50,000 would be the new
money brought into the company at that time?
A. Yes, sir.
Q. When, as I understand it from the statement

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you filed with the accountant there has been no alteration in the capital structure of the company since that time?

A. None since.

Q. So that the actual cash that has been brought into the company was the \$7,500 in 1903 and the \$250,000 in 1912?

A. Yes, sir.

Q. That is outside of the profits, accumulated profits?

A. Yes, sir.

Q. Now, have you another copy of the --

MR. KELLOCK: Which one, I have a copy --

MR. McRUER: Of the comparative statement?

MR. KELLOCK: Yes.

BY MR. McRUER: Q. Was the \$7,500 that was borrowed from the bank in 1903 borrowed on a joint note of the three of you?

A. What amount?

Q. Was the \$7,500 that was borrowed in 1903 borrowed on a joint note?

A. I don't know what you have reference to.

Q. Well, I understood you to say that the original capital of the partnership was \$7,500 that was borrowed?

A. No, not borrowed.

Q. I thought you said Mr. Lalor had borrowed it from the banks?

A. No, that isn't a correct interpretation. What I had reference to, sir, was that Mr. Lalor had guaranteed our bank loans to assist the company.

Q. I see; there was \$7,500 put in in cash, is that right?

A. Yes, sir.

THE COMMISSIONER: Besides the bank.

BY MR. McRUER: Q. Besides the fact that Mr. Lalor

you filed with the accountants there has been no
variation in the capital structure of the company
that time? A. None since.

Q. So that the actual cash that has been put
into the company was the \$7,500 in 1903 and the
A. Yes, sir.

Q. That is outside of the profits, accumulated
profits? A. Yes, sir.

Q. Now, have you another copy of the --

MR. KELLOCK: Which one, I have a copy --

MR. KELLOCK: Of the comparative statement?

MR. KELLOCK: Yes.

BY MR. KELLOCK: I see the \$7,500 that was born

from the bank in 1903 borrowed on a joint note of

the three of you? A. What amount?

Q. Was the \$7,500 that was borrowed in 1903

borrowed on a joint note? A. I don't know.

What you have reference to.

Q. Well, I understood you to say that the origi-

capital of the partnership was \$7,500 that was

borrowed? A. No, not borrowed.

Q. I thought you said Mr. Isler had borrowed

from the bank? A. No, that isn't a correct

interpretation. What I had reference to, sir,

that Mr. Isler had guaranteed our bank loans to

assist the company.

Q. I see; there was \$7,500 put in in cash, is

that right? A. Yes, sir.

THE EXHIBITS: Exhibit 100.

BY MR. KELLOCK: I recalled the fact that Mr. Is-

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had guaranteed your liability to the bank?

A. Yes.

(page 9080 follows)

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DATE: 1914

had guaranteed your liability to the bank?

A. Yes.

(over two years)

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Q. Did you borrow money from the bank to start the business up or was that a loan that was guaranteed for running expenses?

A. When we started the business we invested the capital into machinery.

Then it was necessary to borrow money to finance the operations.

BY THE COMMISSIONER: What about the buildings?

A. Rented premises.

MR. McRUER: Q. Well then, we have your ---

MR. KELLOCK: You did not finish reading that statement.

MR. McRUER: Well, I just want to get the record in a little different form than that statement puts it at the moment. I will come to that.

Q. We have here your last Annual Report - I do not wish to put this in at the moment because this is all material that has been furnished to Mr. Howson and he will deal with it as a whole eventually, so that these are his records and I want to return them to him so that he can complete his work.

Your last annual report shows that your Company has the following liquid assets. Have you a copy of it before you so that you can just follow me?

Liquid assets composed of: Cash on hand, Accounts Receivable, Inventory and Unexpired Insurance of \$1,270,554.95, and Fixed Assets - Land, Building, and equipment of \$1,835,969.89, less reserve for depreciation of \$1,012,149.85, making a total of the value of the fixed assets, less depreciation

1. Did you borrow money from the bank to start

the business up or was that a loan that was guaranteed

for running expenses? A. When we started the

business we invested the capital into machinery.

Then it was necessary to borrow money to finance the

statement.

BY THE COMMISSIONER: What about the buildings?

A. Rented premises.

MR. MURPHY: A. Well then, we have your ---

MR. KILLOCK: You did not finish reading that

statement.

MR. MURPHY: Well, I just want to get the record

in a little different form than that statement puts

it at the moment. I will come to that.

A. We have here your last Annual Report - I do

not wish to put this in at the moment because this

is all material that has been furnished to Mr. Brown

and he will deal with it as a whole eventually.

so that these are his records and I want to return

them to him so that he can complete his work.

Your last annual report shows that your company

has the following liquid assets. Have you a copy

of it before you so that you can just follow me?

Liquid assets composed of: Cash on hand, accounts

receivable, inventory and unexpired insurance of

\$1,250,554.95, and fixed assets - Land, Building,

and equipment of \$1,555,302.00, less reserve for

depreciation of \$1,012,149.35, making a total of the

value of the fixed assets, less depreciation

written off, of \$823,820.04. Then you have in your Balance Sheet, Good Will, Contracts, etc., at \$995,905.34 or a total of \$3,090,280.33. So that you have assets over liabilities amounting in round figures to \$2,650,000. So that your money invested of \$257,500 now shows an asset of \$2,250,000?

A. I do not think that is very accurate.

Q. Well, wherein is it inaccurate? If it is inaccurate I want to have it put right. A. Well, the liquid assets \$1,270,000 and fixed assets of \$823,000 would make \$2,100,000 about and then you take \$400,000 of liabilities off that it certainly does not give you the figure \$2,600,000.

Q. Yes, but you have in your balance sheet Good Will, contracts, etc. \$995,905.34. Now, you have issued stock as against that and you are attempting to pay dividends on that stock.

MR. KELLOCK: No, you have to look at the dividend story before you say that.

MR. McRUER: Q. That is what you strive for anyway because the stock issued is a liability, and we have the dividend story. We are coming to that. I am going to deal with that in a moment. At any rate, your conclusion is only different from mine in respect that you leave out the Good Will item?

A. Yes, because you are dealing with liquid and fixed assets.

Q. And I am willing to deal with it both ways because I think you are quite right that that

written off, of \$235,820.04. When you have in your
Balance Sheet, Good Will, Contracts, etc., at
\$235,820.04 or a total of \$5,080,220.04. So that
you have assets over liabilities amounting in round
figures to \$3,050,000. So that your money invested
of \$235,500 now shows an asset of \$3,050,000.
A. I do not think that is very accurate.
A. Well, wherein is it inaccurate? It is in
inaccuracy I want to have it put right. A. Well,
the liquid assets \$1,270,000 and fixed assets of
\$3,050,000 would make \$2,100,000 about and then you have
\$400,000 of liabilities off that it certainly does
not give you the figure \$3,050,000.
Yes, but you have in your balance sheet
Good Will, contracts, etc. \$235,820.04. Now,
you have issued stock or retained that and you are
attempting to pay dividends on that stock.
A. KILLOCK: No, you have to look at the
dividend story before you say that.
A. McHUGH: A. That is what you believe for any-
way because the stock issued is a liability, and
we have the dividend story. We are coming to that.
I am going to deal with that in a moment. At any
rate, your conclusion is only different from mine
in respect that you leave out the Good Will item.
A. Yes, because you are dealing with liquid and
fixed assets.
And I am willing to deal with it but

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observation ought to be made, that my figure included the Good Will ~~mg~~ of nearly a million dollars. In addition to that, Mr. Burns, you wrote off during the period \$500,000 odd, an investment that you made in an American Company? A. Yes, sir.

Q. How much was that you wrote off out of your profits for investment in the Monarch Knitting Company of New York? A. It was not written off out of profits, it was written off against reserve.

Q. Well, you had created a reserve? A. Yes.

Q. The reserve came out of profits? A. Yes.

Q. So that we may have been a little inaccurate in stating it, but you had set up a reserve from profits and you had invested some \$500,000 in the American Company and then when things got depressed over there it went into bankruptcy? A. No, did not go into bankruptcy, it was wound up and sold.

Q. And your loss in it was \$500,000 and some odd?

A. One of those financial statements gives the exact figure.

Q. 1932 or 1933? A. No, it would be about 1924 or 1925, I think. It is hard to remember exactly but the amount of the capital stock was written off, which was \$500,000.

Q. Well, I see in the report of 1925 there is a mention there "Contingency loan in respect of the bank's advance to the Monarch Knitting Company, December 31st, 1934, amounts to \$317,000."

observation ought to be made, that my figure included
the Good will of nearly a million dollars. In
addition to that, Mr. Burns, you wrote off during the
period \$500,000 odd, an investment that you made in
an American Company?
Q. Now such was that you wrote off out of your
profits for investment in the Monarch Knitting Company
of New York?
A. It was not written off out of
profits, it was written off against reserve.
Q. Well, you had created a reserve?
A. Yes.
Q. The reserve came out of profits?
A. Yes.
Q. So that we may have been a little inaccurate
in stating it, but you had set up a reserve from
profits and you had invested some \$500,000 in the
American Company and then when things got depressed
over there it went into bankruptcy?
A. No, did
not go into bankruptcy, it was wound up and sold.
Q. And your loss in it was \$500,000 and some odd?
A. One of those financial statements gives the
exact figure.
Q. 1932 or 1933?
A. No, it would be about
1934 or 1935, I think. It is hard to remember
exactly but the amount of the capital stock was
written off, which was \$500,000.
Q. Well, I see in the report of 1935 there is a
notation there "Contingency loss in respect of the
December 31st, 1934, amount to \$517,000."

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So that apparently was not written off at that time?

A. What date is that?

Q. 1924? A. 1925, probably. I can
tell you that that was the case anyway. We wrote
off that as an asset of the Canadian Company.

Q. It was just how much that you wrote off that
I wanted to get accurately if I could. I see in
your report of 1926:

"The winding up of the Monarch Knitting
Company Limited of New York, has continued during
the year, and accruing liabilities in this
regard, under the guarantee of your company,
have been met and charged against the Special
Reserve Account created in 1935, and the balance
of which is confidently expected to provide for
the balance of the liability accruing in this
regard during 1927."

Well, our accountant can give us that. We will
take the figure at the present time for the purpose
of our calculations as being somewhere over \$500,000.
That is correct? A. Yes.

Q. So that when I take it that the result of
the Canadian Industries enterprise has been
that the \$7,500 invested in 1903 and the \$250,000
brought into the Company in 1912 has shown
assets amounting to \$2,600,000 with Good Will or
\$1,600,000 without Good Will and in addition the
\$500,000 that you lost in an American enterprise ---

Q. Now, I am, probably, I can

tell you that that was the case anyway. He wrote

off that as an asset of the Canadian Company.

Q. It was just now when you wrote off that

I wanted to get accurately if I could. I see in

your report of 1936:

"The winding up of the Toronto Trusting

Company, Limited of New York, was continued until

the year, 1936, and the balance of the

assets, under the guarantee of your company,

have been met and charged against the special

reserve account created in 1931, and the balance

of which is confidentially expected to provide for

the balance of the liability according to this

report of 1936.

Q. Now, our accountant can give us that. He will

have the figure at the present time for the purpose

of our calculations as being somewhere over \$200,000.

Q. Yes.

Q. So that when I take the results of

the payment of insurance premiums has been

that the \$1,000 invested in 1931 and the \$200,000

has been brought into the company in 1936 has been

assets amounting to \$2,500,000 which good will be

\$1,500,000 which good will and in addition the

--- and that is the balance of the assets.

5 A. Of course, there is something to take into consideration there also, if I may mention it, and that is that the Buffalo Company made profits, that the American Company made profits and when they were capitalized those profits were part that paid for that stock.

Q. Well, how much did the profits amount to in the American Company - it was not run very long?

10 A. It was run from 1909 I think it was, until ---

Q. Was it that long? A. Until 1921, I think it was.

15 Q. Well, these balance sheets of the American Company are calculated with your annual statements?

A. Just up to a certain period, up to 1916 or 1917. I think it was 1917 that we took out a charter for the American Company, so that the profits from the American business would be added in with the profits shown on our Canadian statement.

20 Q. Well, the enterprise seemed to be much more profitable in Canada than in the United States.

THE COMMISSIONER: Was it a similar enterprise in the United States?

25 MR. McRUER: Q. Same kind of business in the United States? A. Yes.

Q. It was the money of the Canadian firm that started the business over there? A. Yes, sir.

30 Q. Then you have paid out, according to Mr. Howson's computation, in dividends on the preferred stock

A. Of course, there is something to take into consideration there also, if I may mention it, and that is that the Buffalo Company made profits, that the American Company made profits and when they were capitalized those profits were part that paid for the

Q. Well, how much did the profits amount to in the American Company - it was not run very long?

A. It was run from 1909 I think it was, until ---
Q. Was it that long? A. Until 1911, I think

Q. Well, these balance sheets of the American Company are calculated with your annual statements? A. Just up to a certain period, up to 1910 or 1911. I think it was 1911 that we took out a charter for the American Company, so that the profits from the American business would be added in with the profits shown on our Canadian statement.

Q. Well, the enterprise seemed to be much more profitable in Canada than in the United States.

THE COMMISSIONER: Was it a similar enterprise in the United States?

MR. BRYDIE: Q. Same kind of business in the United States? A. Yes.

Q. It was the money of the Canadian firm that started the business over there? A. Yes, sir.

Q. Then you have paid out, according to Mr. Brydie, in dividends on the preferred stock

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\$889,575, and on the common stock \$248,625., making
\$1,138,200., and you have written off the good will,
\$50,000.

5 THE COMMISSIONER: How far back are you going
when you say that?

MR. McRUER: That is over the record of the company
since 1912, the new company. I dealt with the old
company up to that time and this is the record of the
10 new company.

Q. So that that rather completed the financial
experience of this company. Is there anything incorrect
in the conclusion?

15 MR. KELLOCK: You have not covered the dividend
story.

MR. McRUER: I have covered it in summary. I
will do it in detail in a moment if you wish.
You see in the new company there is \$250,000 in new
20 money brought in. You three gentlemen brought in
\$7,500 into it originally, which made \$257,000,
and dividends alone from the new company have been
paid of \$1,132,200.

25 THE COMMISSIONER: That is on both classes of
shares?

MR. McRUER: Yes. That is the dividend record.
Then we have the assets that have been left. We
have calculated that. We can take it either way
30 without good will at \$1,600,000 in round figures or

BURNS

9085

\$309,575, and on the common stock \$248,625, making
\$1,138,200, and you have written off the good will
\$50,000.

THE COMMISSIONER: How far back are you going

when you say that?

MR. McLEOD: That is over the record of the company
since 1912, the new company. I dealt with the old
company up to that time and this is the record of the
new company.

... so that that rather completed the financial
experience of this company. Is there anything more
in the commission?

MR. McLEOD: You have not covered the dividend

any.

will do it in detail in a moment if you wish.

You see in the new company there is \$250,000 in new
money brought in. You three gentlemen brought in

\$7,500 into it originally, which made \$257,500,

and dividends alone from the new company have been

paid of \$1,138,200.

THE COMMISSIONER: That is on both classes of

shares?

MR. McLEOD: Yes. That is the dividend record.

Then we have the assets that have been left. No

have calculated that. We can take it either way

without good will at \$1,000,000 in round figures or

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with good will at \$2,600,000, and I have now the actual figure of your investment in the American Company. It is \$649,999, and another \$50,000 written off Good Will.

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MR. KELLOCK: Q. I suppose in order to make a fair comparison you have at least to capitalise at compound interest at least \$200,000?

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MR. McRUER: Well, you can take it any way you like, I am satisfied for you to compound it if you wish, but it is just the fact we are dealing with at the moment as to what the actual return has been.

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Q. Now, is there anything in those computations, Mr. Burns, that you think are inaccurate because what I want is to make sure that we are accurate in any thing we do? A. Well, I doubt if everything in connection with this statement here is correct, which gives the details of the dividends paid.

20

Q. You have set it out in so much per cent. on preferred stock and common stock, etc. Well, that does not mean much unless we go back to what the actual capital invested was to get the preferred stock as to how the industry has got along since it started.

25

THE WITNESS Would you mind repeating that figure that you gave of dividends paid on preferred stock?

30

Q. \$389,575.? A. I don't know whether your figures are correct or mine. Mine are different. I make it \$892,500. It is a little bit different.

Q. Well, again, I will be conservative.

BURNS

9088

with good will at \$2,500,000, and I have now the
correct figure of your investment in the American Gas
It is \$249,999, and another \$10,000 written off good
will.
MR. KELLICK: A. I suppose in order to make a fair
comparison you have at least to capitalize at compound
interest at least \$200,000.
MR. NORMAN: Well, you can take it any way you
like, I am satisfied for you to compound it if you
wish, but it is just the fact we are dealing with at
the moment as to what the actual return has been.
A. Now, is there anything in these computations,
Mr. Burns, that you think are inaccurate because what
I want is to make sure that we are accurate in any
thing we do? A. Well, I doubt if everything in
connection with this statement here is correct, which
gives the details of the dividends paid.
A. You have set it out in so much per cent. on
preferred stock and common stock, etc. Well, that
does not mean much unless we go back to what the
actual capital invested was to get the preferred stock
as to how the industry has got along since it started.
The figures would you mind repeating that figure
last you gave of dividends paid on preferred stock?
A. \$289,275. A. I don't know whether your
figures are correct or mine. Mine are different.
I make it \$289,300. It is a little bit different.
Well, again, I will be conservative.

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I rather think that these will be right. They are taken from the figures that you sent into the Accountant? A. I also make a difference in the common.

5 Q. What do you mean the common? A. \$274,185.

Q. Well, I hope I will gain the reputation of not being extravagant.

MR. KELLOCK: To-day.

10 MR. McRUER: Q. Well, the only corrections then you make on my figures are to add about \$8,000 to the preferred dividends and to the common dividends, \$274,000, you add about \$36,000? A. It is just for the purpose of trying to have the accurate figure, that is all.

15 Q. That is quite right. I will just make a note of it so that I will draw it to the accountant's attention that your figures do not agree and if there is any error he will adjust it, he will trace it up.

20 Q. Now, to continue reading your statement:

"Out of the proceeds of such sales, \$250,000 was paid into the Company as additional working capital. The capital structure has remained the same up to the present time, as indicated in the company's last annual report attached hereto."

25 "Dividends paid in the fiscal years from the year of incorporation of the new company, 1912, up to December 31st, 1935, on preferred

30

I repeat think that there will be right. They

who come from the figures that you want to be the

accountant? A. I also want a difference

the common.

What do you mean the common? A. \$100,000.

Well, I hope I will gain the reputation of not

being extravagant.

You were on my figures and to add about \$1,000 to a

proposed dividend and to the common dividend.

\$100,000, you had about \$100,000? A. It is in the

the purpose of trying to have the accurate figure

that is all.

That is quite right. I will just make a

note of it so that I will have it to the accountant

attention that your figures do not agree and it that

is my error he will adjust it, he will have it all.

Now, to continue reading your statement:

"Out of the proceeds of such sales,

\$100,000 was paid into the company as additional

working capital. The original statement has

mentioned the same up to the present time,

as indicated in the company's last annual report

"Dividends paid in the fiscal year from

the year of incorporation of the company,

1912, up to December 31st, 1913, as reported

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Burns

and common shares were as follows:

<u>YEAR</u>	<u>PREFERRED</u>	<u>COMMON</u>
1912	3½%	1½%
1913	7%	6%
1914	7%	...
1915	7%	...
1916	7%	...
1917	7%	...
1918	7%	...
1919	7%	4%
1920	7%	4% plus 2%
1921	7%	4%
1922	7%	...
1923	7%	...
1924	7%	...
1925	58 1/3¢ X 4	...

What does that mean?

MR. KELLOCK: 58 and 1/3¢, one month's payment only.

MR. McRUER:

1926	...	...
1927	...	...
1928	...	...
1929	5½	...
1930	7%	...
1931	...	...
1932	...	...
1933	...	...
1934	7%	...
1935	7%	...

Q. That would be about the time that you were writing off this investment in the United States?

A. Well, That was written off on our Capital Surplus. Had nothing to do with earnings.

Q. I know but you were reconstructing your surplus account on account of your having written off that investment - that is really what was happening at that time.

MR. KELLOCK: They were not paying a dividend before

and common shares were as follows:

YEAR	INTEREST	CORPORATE
1912	314	116
1913	75	67
1914	75	...
1915	75	...
1916	75	...
1917	75	...
1918	75	...
1919	75	...
1920	75	44
1921	75	44 plus 24
1922	75	44
1923	75	...
1924	75	...
1925	75	...
1926	75	...
1927	75	...
1928	75	...
1929	75	...
1930	75	...
1931	75	...
1932	75	...
1933	75	...
1934	75	...
1935	75	...

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6. That would be about the time that you were

getting off this investment in the United States?

7. Well, that was written off on our capital surplus.

Had nothing to do with earnings.

8. I know but you were reconstructing your earnings

account on account of your having written off that

investment - that is really what was happening at

that time.

9. That's correct. They were not paying a dividend at

they wrote that off.

MR. McRUER: Yes, they were.

MR. KELLOCK: In 1925 and 1926 they had not paid anything.

MR. McRUER: This had been incurred and mentioned in the annual report was going to be paid off. The surplus had got up to about \$1,000,000 at that time.

Q. You were building up a reserve for the very purpose of writing off that investment? A. No, we were paying dividends back in 1922 and 1923 and 1925 and 1925 was when there was the slump in our business.

Q. At any rate we have there these records. 1927 and 1928 no dividends. In 1929 $5\frac{1}{2}$ per cent. on the preferred and none on the common. In 1930 7% on the preferred and none on the common. In 1931, 1932 and 1933 no dividend on the preferred or common. In 1934 7% on the preferred and none on the common, and in 1935 7% on the preferred and none on the common.

"At December 31, 1935, Preference dividends were in arrears to the extent of \$50.16 so that the average annual rate of dividend paid on the 7% cumulative Preference Shares over the term of 24 years, since the commencement of the Company up to December 31, 1935, was 4.76%."

Well, that does not mean much, does it, Mr. Burns, unless we consider how much the Preference stock actually cost. If we calculated out what the

Income

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MR. McLEOD: Yes, they were.

MR. McLEOD: In 1930 and 1931 they had not paid

any dividends.

MR. McLEOD: This has been incurred and mentioned

in the annual report was going to be paid off. The

surplus had got up to about \$1,000,000 at that time

Q. You were building up a reserve for the very

purpose of writing off that investment? A. No.

We were paying dividends back in 1928 and 1929 and

1930 and 1931 was when there was the slump in our

Q. At any time we have those records.

1927 and 1928 no dividends. In 1929 5% per cent.

on the preferred and none on the common.

In 1930 7% on the preferred and none on the common.

In 1931, 1932 and 1933 no dividend on the preferred

or common. In 1934 7% on the preferred and none

on the common, and in 1935 7% on the preferred and

none on the common.

MR. McLEOD: Yes, 1930, 1931, 1932, 1933, 1934, 1935.

were in arrears to the extent of \$50.18 so that

the average annual rate of dividend paid on the

7% cumulative preference shares over the

term of 24 years, since the commencement of the

company up to December 31, 1935, was 4.75%.

Well, that does not mean much, does it, Mr. Jones,

unless we consider not when the reference stock

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preference stock actually cost? A. \$100.00 a share.

Q. this 4.76% might represent 20 or 30%?

A. It cost the people that bought it \$100.00 a share.

Q. Oh, the assets behind the preference stock was
the company that was created out of \$257,500 capital
and that is all the cash that went into it.

MR. KELLOCK: Yes, but there are other assets
totalling \$780,000.

MR. McRUER: No, that grew out of that money.

MR. KELLOCK: No, right there that the money was
put in, in 1912.

MR. McRUER: I do object to trying to build some-
thing up out of something that is not there.

MR. KELLOCK: No, if you are talking about invest-
ment that this company started off, the balance sheet
already shows it had actual assets of \$778,000.

MR. McRUER: I had actual assets of \$780,000
that grew out of \$7,500.

MR. KELLOCK: Yes, but that is a different thing.

MR. McRUER: You cannot take and reorganize a
company and dress it up in new clothes and get away
from that fact as far as I am concerned but I am
trying to determine how much actual cash was put
into the company and got out.

MR. KELLOCK: All I am pointing out that the 4¹⁵
dividends you are dealing with was on actual assets
in 1912 of \$780,000.

MR. McRUER: Nothing of the kind.

... this \$4.75 might represent 50 or 60%
A. It cost the people that bought it \$100.00 a
4. Oh, the assets behind the preference stock
the company that was created out of \$257,500 capital
and that is all the cash that went into it.
MR. KILBICK: Yes, but there are other assets
totaling \$780,000.
MR. KILBICK: No, that grew out of that money.
MR. KILBICK: No, right there that the money
... in fact.
MR. KILBICK: I do object to trying to build some
thing up out of something that is not there.
MR. KILBICK: No, if you are talking about assets
... already shows it had actual assets of \$780,000.
MR. KILBICK: I had actual assets of \$780,000
that grew out of \$7,500.
MR. KILBICK: Yes, but that is a different thing.
MR. KILBICK: You cannot take and reorganize a
company and dress it up in new clothes and get away
from that fact as far as I am concerned but I am
trying to determine how much actual cash was put
into the company and got out.
MR. KILBICK: All I am pointing out that the
dividends you are dealing with was on actual assets
in 1913 of \$780,000.
MR. KILBICK: Nothing of the kind.

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THE COMMISSIONER: Depends on how far back you go.

MR. McRUER:

"Dividends on the Common Stock over the period mentioned have totalled $21\frac{1}{2}\%$, an average annual dividend over the term of a little less than 1%. For the last ten years, that is the years 1926-1935 inclusive, a total of $26\frac{1}{4}\%$ has been paid on the 7% Preference Shares, an annual average of 2.625%. No dividend has been paid during the ten-year period on the Common Shares."

Of course, that would put this company so that it has had a very bad time in Canada and, as a matter of fact, you have done very well? A. You have all the statements and I think you have to judge that.

Q. I think that is probably the correct answer to make. Now, your company is engaged in what lines of business? A. You mean up to the present time?

Q. Well, I want both present time and records of the past -- what have you been doing?

A. Well, when we started we started making lumbermen's socks and knitted out-wear. Would you care to look at our first catalogue, 1905-6. And there is catalogue 1912, and there is catalogue 1914-1915.

Q. Sweaters seemed to be a popular line in those days. You just go ahead and tell us the nature of your business? A. We now manufacture

THE COMPANY: begins on how far back you go.

INTERVIEWER: How long have you been in business?

Period mentioned have been in business, an average annual dividend over the term of a little less than 1%. For the last ten years, that is the years 1910-1920 inclusive, a total of 10%.

has been paid on the 7% preference shares, an average of 2.5%. No dividend has been paid during the ten-year period on the common shares. Of course, that would be this company as that is not a very bad time in Canada and, as a matter of fact, you have done very well.

statements and I think you have to judge that.

I think that is probably the correct answer.

Now, your company is engaged in what

lines of business?

present time?

Well, I want both present time and records

of the past -- what have you been doing?

Well, when we started we started making investments

books and had had one-year.

look at our first catalogue, 1900-01. And there I

catalogue lists, and there is catalogue 1914-1915.

... sweaters seemed to be a popular line in

those days. You just go ahead and tell us the

... the how many?

hosiery. We started manufacturing that in 1916.

Q. What kind of hosiery? A. Men's and

Women's and Children's.

Q. Silk or wool or both? A. Oh, cotton and

artificial silk and also silk and wool and wool and
cotton.

Q. And you have factories in Dunnville, St. Cath-
arines and St. Thomas? A. Yes, sir.

Q. Now, I would like you to look with me for a
moment at this return which has been put in to the
Accountant in regard to the profit and loss account.

I am looking at page 13-A under the item Wages.

These would be the male wages, I take it, under that
heading. In 1926 there are \$444,000 - I am
just taking the round figures. In 1927--

THE COMMISSIONER: That is paid for wages?

MR. McRUER: Yes. In 1927 there was \$429,000
paid for wages? In 1928 there was \$449,000 paid
for wages. In 1929 there was \$474,600 paid for

wages. In 1930 there was \$431,900 paid for wages.

In 1931 there was \$453,693 paid for wages. In

1932 there was \$421,776 paid for wages. In 1933

there was \$386,238 paid for wages. In 1934 there

was \$424,500 paid for wages, and in 1935 there was

\$445,300 paid for wages. Now, apparently the

year 1933 was the low point in the amount that you

paid out for wages over that period of ten years -

that is, in male wages?

A. That is there?

is started manufacturing cloth in 1915.
Q. What kind of machinery?
A. Men's and women's and children's.
Q. Silk or wool or both?
A. Oh, cotton and artificial silk and also silk and wool and wool and cotton.
Q. And you have factories in Danville, Va.?
A. Yes, sir.
Q. Now, I would like you to look with me for a moment at this return which has been put in to the Government in regard to the profit and loss account. I am looking at page 15-A under the item wages. These would be the male wages, I think, under the heading. In 1926 there was \$444,000 - I am just taking the round figures. In 1927 - THE COMMISSIONER: That is paid for wages? A. Yes. In 1927 there was \$429,000 paid for wages? In 1928 there was \$443,000 paid for wages. In 1929 there was \$444,500 paid for wages. In 1930 there was \$451,500 paid for wages. In 1931 there was \$455,000 paid for wages. In 1932 there was \$461,700 paid for wages. In 1933 there was \$386,200 paid for wages. In 1934 there was \$444,500 paid for wages, and in 1935 there was \$445,500 paid for wages. Now, apparently the year 1933 was the low point in the amount that you have put for wages over that period of ten years - That is, in male wages?

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Q. It appears to be that? A. Yes, sir.

Q. Did you reduce your male wages between 1930 and 1935? A. No, that would be caused I think by fewer hours work. You see, that was the time when things were very very difficult.

Q. No, but did you reduce your wages? A. No.

Q. Did not reduce the rates? A. We had never made a reduction of any ten per cent. or 15 per cent.

Q. No, what I am getting at, did you reduce the rates. Do your employees work on piece work or hour work? A. On piece work to quite an extent.

Q. What percentage of the employees would work on piece work? A. That would be rather difficult for me to just say. Only that here I would think we would run about 60% female and I think most of those would be on piece work.

Q. And did you not change your piece work rates at all? A. Well, with our line of merchandise we make practically a new range each year and it would be hard for comparison. You see, it is style merchandise.

Q. And you change and whether an employee has to do more work to make the same money you would not be able to tell us? A. Well, it would be a difficult thing for me.

Q. Probably I can get at it in a little different way than that. Take this year 1933 when the

Q. It appears to be that? A. Yes, sir.

Q. Did you reduce your male wages between 1930

and 1935? A. No, that would be correct I think.

Q. You see, that was the time by lower hours work.

when things were very very difficult.

Q. No, but did you reduce your wages? A. No.

Q. Did not reduce the rates? A. He had

never made a reduction of any ten per cent. or 15

per cent.

Q. No, what I am getting at, did you reduce the

rates. Do your employees work on piece work or

hour work? A. On piece work to quite an extent

Q. What percentage of the employees would work

on piece work? A. That would be rather

difficult for me to just say. Only that some I

would think we would run about 60% female and I think

most of those would be on piece work.

Q. And the men would be on piece work?

A. Well, with our line of merchandise

we make practically a new range each year and it

would be hard for comparison. You see, it is

style merchandise.

Q. And you change and whether an employee has

to go more work to make the same money you would not

be able to tell us? A. Well, it would be a

difficult thing for me.

Q. Presumably I can get it in a little bit more

very soon.

wages are at their low point and I will compare the amount transferred to --- well, that probably would not be a good deduction. I think I will compare your net profits and see what the result was. Yes, here are the net profits from 1926 to 1935?

A. That would be before the depreciation presumably.

Q. Well, I assume so. No, depreciation is in here, it is at the top? A. Oh, yes.

Q. The net profits on sales:

1926 \$93,700

1927 134,271

1928 171,700

1929 161,650

1930 a deficit of \$47,963

1931 70,300

1932 45,854

1933 132,124

1934 126,070

1935 94,251

A. There is something wrong with those figures as compared with our net profit in our statement. Those figures don't seem to ---

THE COMMISSIONER: It shows 1933 to be a very prosperous year.

MR. McRUER: Q. These are your returns?

A. Well, that is our auditors' work. Is there another sheet---

Q. No, we have got the gross profit and everything.

Being

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wages are at their low point and I will compare the

amount transferred to --- well, that probably would

not be a good deduction. I think I will compare

your net profits and see what the result was. Yes,

here are the net profits from 1933 to 1937

A. That would be before the depreciation provision

Q. Well, I assume so. No, depreciation is

in there, it is at the top? A. Oh, yes.

C. The net profits on sales:

1937	127,714
1936	141,747
1935	171,700
1934	161,633
1933	167,483
1932	73,800
1931	43,834
1930	131,144
1929	104,700
1928	94,301

A. There is something wrong with these figures

as compared with our net profit in our statement.

These figures don't seem to ---

THE COMMISSIONER: It shows 1928 to be a very

prosperous year.

MR. MORLEY: A. These are your returns?

A. Well, that is our auditors' work. Is there

any more?

Q. No, we have got the gross profit and everything

This is an analysis of your Profit and Loss Account that Mr. Howson worked out and sent to you to fill out. It is marked with a red pencil there O.K. I don't know what that is. Now, take in this year of 1933---
5 A. Just aft have to compare it.

Q. This year 1933 the Wage Bill was at its lowest that it had been for ten years yet your net profits were at the highest they were at any time after 1929 and were within \$2,000 of being what they were in 1927. Now, we will let you have your financial statement. You see, that is our purpose in getting our analysis of the profit and Loss Account is to see actually what did take place?
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15 A. Yes, the figures do not look familiar to me and I was wondering where the difference came in. These are much more pleasant than the ones I have in mind. You cannot have depreciation.

20 Q. Yes, depreciation is here? A. Yes, but you have net figure of \$142,000 while our net figure is \$69,000.

25 Q. Yes, but the depreciation is already taken off. However, it does not make any difference for that whether there is some other way of calculating it. This is a comparative figure. Compare 1933 with 1927, for instance and it shows it was an equally profitable year and yet the amount you paid in wages was its low ebb in ten years.
30 A. Don't you think we should find out if these are accurate?

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BUTTS

This is an analysis of your profits and losses account that Mr. Pearson worked out and sent to you to find it is marked with a red pencil there G.K. I don't know what that is. Now, here in this year of 1927, A. Just we have to compare it.

Q. This year 1927 the same bill was at the time that it had been for ten years yet your last profits were at the highest they were at any time after 1927 and were within \$2,000 of being what they were in 1927. Now, we will let you have your financial statement.

You see, that is our purpose in our analysis of the profits and losses account in to actually what did take place? A. Yes, Mr.

figures do not look familiar to me and I am not sure where the difference came in. These are what are pleasant than the ones I have in mind. You cannot

Q. Yes, depreciation is there A. Yes, but you have not figure of \$12,000 while our net is

A. Yes, but the depreciation is already taken off. However, it does not make any difference for the whether there is some other way of calculating it. This is a comparative figure. 1927, for instance and it shows it was an equally profitable year and yet the amount was paid in wages

A. Now's your A. Now's your

Q. They are your figures? A. Explain that to me. I cannot see it myself.

Q. Who is your accountants who made this up?

A. Ralph E. Young of Toronto.

Q. They are your auditors? A. Yes. I cannot understand it.

Q. I am more interested in the statement that your Auditor gives us in answer to enquiry in respect of your Profit and Loss Account than in the Annual Statement that is published to the shareholders?

A. They are the ones that set that up.

Q. They are your figures?

A. No. I cannot see it myself.

Q. Who is your accountant who made this up?

A. Ralph E. Young of Toronto.

Q. They are your auditors?

A. Yes. I agree.

Q. I am more interested in the statement that you

auditor gives us in answer to enquiry in respect of

your profit and loss account than in the annual

statement that is published to the shareholders?

A. They are the ones that set that up.

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Would you mind giving Mr. Kellock a note of that just so that he can have it? I would like to understand it myself.

Q. Well, your financial statement is a very --

A. That is sent out by the same people.

Q. This is the summary and this is the analysis that shows how it was arrived at. You see we get -- they build up the cost of sales and then they take the discounts away and they take the gross profit and then they take the selling and distributing expenses and the administrative expenses; that is all taken away until we get down to the net profit? A. Yes.

Q. And they have done it for every year, apparently very well done? A. Well, that is what they certify to.

Q. Yes, but that will be reconciled --

A. I don't know that our business has made those profits.

Q. Well, maybe you haven't, but I am just getting at what your accountants show you have made?

A. What our auditors.

Q. What your auditors show you have made and the wages at the time. We can test it in another way.

A. There is the figure.

Q. Alright, this shows the disposition of the net profit on sales. The net profit on sales was \$132,124, that is sheet 13A, and then, whatever additions, and there is a deduction of certain figures that finally shows an amount transferred to surplus account of \$67,887.20. A. That agrees with that.

Would you mind giving Mr. Nelson a note of that
so that he can have it? I would like to understand

Q. Well, your financial statement is a very --
A. That is sent out by the same people.

Q. This is the summary and this is the analysis
that shows how it was arrived at. You see we are

they built up the cost of sales and then they take
discounts away and they take the gross profit and

they take the selling and distributing expenses and
administrative expenses; that is all taken away and

we get down to the net profit.
A. Yes.
Q. And they have done it for every year.

Q. Well, that is
generally very well done?
A. Yes, that is

Q. Yes, but that will be something --
A. I don't know that our business has made those

profit.
Q. Well, where you haven't, but I am just asking
at what your recordants show you have made?

Q. That is all right.
A. That is all right.

Q. That is all right. Now you have made and
what at the time. No one test it is a matter of

A. There is the time.
Q. All right, this shows the situation of the

not profit on sales. The net profit on sales was
\$12,144. That is the net profit, and then, whatever

addition, and there is a deduction of certain things
that finally shows an amount transferred to earnings

Q. That is all right.
A. That is all right.

Q. Yes, well, alright. A. All the charges of the business were not complete on the other sheet.

Q. But the other showed what your net profit was. Then, there is what you transferred to surplus, I don't care which way you take it. A. You would not call that profit.

Q. Those are additions to the net profits you show of some profit on sale of shares and things like that? A. Bad debts written off and things like that.

Q. The amount transferred to surplus account in that year was \$67,887 and that is after taking off -- A. All legitimate things.

Q. All legitimate things, alright; and that year was the largest amount transferred to surplus account of any year between the years 1930 and 1935, and it was twice as much as in 1926 and almost as much as in 1937 --

THE COMMISSIONER: 1927.

MR. McRUER: 1927.

THE COMMISSIONER: 1927, you said 1937.

MR. McRUER: Almost as much as in 1927.

MR. BEAUREGARD: 1927 it should be.

BY MR. McRUER: Q. But that is the year that you paid in wages \$386,000 as against \$444,000 in 1926 and \$429,000 in 1927? A. Is there any figure you would like me to look up to get an explanation of that? I cannot understand it there.

Q. What I am getting at is that you must have very

drastically reduced the wages or in some way increased your production per dollar paid in wages?

A. I think there is a proper explanation for it.

BY THE COMMISSIONER: Q. You think what?

5 A. I think that there is an explanation for it.

Q. An explanation for what, for the low figure in wages?

10 A. For the difference; it may be we were manufacturing a different class of product or something of that kind between that period. At that time we may have been making goods that had a lot more labour to them.

15 BY MR. McRUER: Q. But if it is a different class of product and you are making that much more money why reduce the wages? A. Well, there may be an explanation to this. I would like to have an opportunity of looking up to see what it is.

20 BY THE COMMISSIONER: Q. Your answer to the question is you cannot explain it now without looking it up? A. Yes.

Q. You cannot answer the question? A. I cannot explain that without looking up some records.

25 Q. That involves the number of employees, their earnings per hour and the number of hours they worked and so on.

30 BY MR. McRUER: Q. I have got the number of employees here. A. You will be able to see from your records what the comparison was of wages being paid, right from the records that you have there, see how the rates are.

Q. Well, the difficulty is that we have not got

drastically reduced the wages or in some way increased
your production per dollar paid in wages?
A. I think there is a proper explanation for it.
BY THE COMMISSIONER: O. You think what?
A. I think that there is an explanation for it.
Q. An explanation for what, for the low figure
wages?
A. For the difference; it may be
we were manufacturing a different class of product
or something of that kind between that period. At
that time we may have been making goods that had a
more labour to them.
BY MR. McRUR: Q. But it is a different class
of product and you are making that much more money
why reduce the wages?
A. Well, there may be
an explanation to this. I would like to have an
opportunity of looking up to see what it is.
BY THE COMMISSIONER: Q. Your answer to the question
is you cannot explain it now without looking it up?
A. Yes.
Q. You cannot answer the question?
A. I cannot
explain that without looking up some records.
Q. That involves the number of employees, their
earnings per hour and the number of hours they worked
and so on.
BY MR. McRUR: Q. I have got the number of
employees here.
A. You will be able to see
from your records what the commission was of wages
being paid, right from the records that you have there
see how the rates are.
Q. Well, the difficulty is that we have not got

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them classified. A. Well, it would show the amount.

Q. I have got the number of employees employed.

A. How does that compare?

5 Q. In 1933 there were 571 employees -- now, this is a little different figure -- A. Out of this 630.

Q. Just a moment, 571 employees receiving up to and including one thousand dollars --

MR. KELLOCK: That won't help you.

10 MR. McRUER: Yes, I know, you cannot compare this with the other figure because the other was a total, and 49 receiving over one thousand dollars. That is workers. In 1926 there were 621 up to and including \$1,000 and 21 over \$1,000. In 1935 there are 621 employees receiving --

15 THE COMMISSIONER: Exactly the same number as 1926?

MR. McRUER: Yes, my lord, receiving up to \$1,000 and 68 over \$1,000. Now, Mr. Howson tells me these figures will include others than mill workers, people working in your power plant, steam, and so on, that these are not all mill workers? A. There are only two people in the power plant.

20 Q. But they don't include the mechanical staff, mill supervision, and clerical and head office salaries and so on? A. No.

25 Q. Now, the wages paid; workers receiving under \$1,000, 621 in 1926 got \$404,263.

MR. KELLOCK: What is that figure please?

30 MR. McRUER: \$404,263.

THE COMMISSIONER: Those earning how much, you say?

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Q. I have got the number of employees employed
A. How does that compare?
Q. In 1938 there were 571 employees -- not, I
is a little different figure --
Q. Just a moment, 571 employees receiving in
and including one thousand dollars --
MR. KALLOK: That won't help you.
Q. Now, the other figure because the other was a total
and 42 receiving over one thousand dollars. That
is workers. In 1938 there were 521 up to and
including \$1,000 and 21 over \$1,000. In 1938 there
are 521 employees receiving --
THE COMMISSIONER: Exactly the same number as in
MR. MORRIS: Yes, my lord, receiving up to \$1,000
and 21 over \$1,000. Now, Mr. Howson tells me these
figures will include other than mill workers,
people working in your power plant, steam, and so on
that these are not all mill workers?
A. The
are only two people in the power plant.
Q. But they don't include the mechanical staff,
mill supervision, and clerical and head office staff.
Q. Now, the wages paid; workers receiving under
\$1,000, 521 in 1938 got \$404,268.
MR. MORRIS: \$404,268.
THE COMMISSIONER: Those covering his shop, you say

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Burns

MR. McRUER: \$1,000 or under.

THE COMMISSIONER: Up to and including \$1,000?

MR. McRUER: Yes, my lord. 621 in 1935 got \$371,983.72. Now, 21 in 1926 got over \$1,000 and got \$28,400; 68 in 1935 got \$85,269.

THE COMMISSIONER: How much were the 571 in 1933 getting?

MR. McRUER: \$329,267.53 and the 49 in the higher classification in 1933 got \$61,094.46.

MR. KELLOCK: They are not the same figures as you gave in previously.

MR. McRUER: They could not be because they include different categories. One is mill workers and the other is all workers. Now, I don't think we have here a report of the rates per hour that are paid. Mr. Whiteley has had an analysis made, my lord, of the pay rolls sent in by this company in the Bureau of Statistics, the same as we put in with the Belding-Corticelli at Montreal.

SECRETARY WHITELEY: No, these are based on their own returns.

MR. McRUER: Belding-Corticelli was based --

SECRETARY WHITELEY: On the pay rolls.

THE COMMISSIONER: They make this up themselves?

SECRETARY WHITELEY: We changed it into percentage, that is all.

MR. McRUER: This isn't made from the actual pay roll? --

SECRETARY WHITELEY: It is made from these sheets.

MR. McRUER: Oh yes.

Running

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MR. MONTGOMERY: \$1,000 or under.

THE COMMISSIONER: Up to and including \$1,000?

MR. MONTGOMERY: Yes, my lord. \$1 in 1935 got

\$371,888.75. Now, \$1 in 1936 got over \$1,000 and

got \$38,400; in 1936 got \$38,250.

THE COMMISSIONER: How much were the \$1 in 1935

MR. MONTGOMERY: \$325,250.55 and the \$1 in the high

classification in 1935 got \$31,054.46.

MR. KILLICK: They are not the same figures as

you gave in previously.

MR. MONTGOMERY: They could not be because they had

different categories. One is mill workers and the

other is all workers. Now, I don't think we have

here a report of the rates per hour that are paid.

Mr. Whitely has had an analysis made, my lord, of

the pay rolls sent in by this company in the Bureau

of Statistics, the same as we put in with the B.M.I.

Classification at Montreal.

MR. MONTGOMERY: I think the Board will

own return.

MR. MONTGOMERY: Repeating-Correction was passed --

SECURITARY WHITELY: On the pay rolls.

THE COMMISSIONER: They make this up themselves?

MR. MONTGOMERY: Yes, my lord. It is made from these sheets

that are all.

MR. MONTGOMERY: This isn't made from the actual pay

SECURITARY WHITELY: It is made from these sheets

MR. MONTGOMERY: On yes.

MR. KELLOCK: Which sheets are those?

MR. McRUER: The questionnaire. You have just got two here; are there any others?

SECRETARY WHITELEY: They are all there.

MR. McRUER: This is going to help me.

THE COMMISSIONER: Are you putting something in now?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: It will be exhibit 672.

MR. McRUER: It is a statement -- a cumulative statement of percentages of workers classified according to the rates per hour paid.

THE COMMISSIONER: Hourly rates paid?

MR. McRUER: Yes, my lord -- well, hourly earnings, yes, my lord.

THE COMMISSIONER: 672.

EXHIBIT NO. 672: Cumulative statement of percentages of workers classified according to hourly earnings, Momch Knitting Company.

MR. McRUER: Now, in dealing with adult males in 19 -- wait now, that is not the right one, this is the one I am dealing with; adult males in 1926.

THE COMMISSIONER: 1926?

MR. McRUER: Yes. There were 2.22% getting less than 25 cents an hour and in 1936 there are 4.67% getting less than 25 cents an hour. In 1926 there were 3.70% getting less than 30 cents an hour and in 1936 4.67%, which is the same figure. In 1926 there were 43.70% getting less than 35 cents an hour but in 1936 there are 66.01% getting less than 35 cents an hour. Now, you will see from that, Mr.

MR. KIMMICK: Which sheets are those?

MR. McNEIL: The questionnaires. You have just a

two here; are there any others?

MR. KIMMICK: They are all there.

MR. KIMMICK: Are you putting something in

MR. KIMMICK: Yes, my lord.

MR. KIMMICK: It will be Exhibit 870.

MR. McNEIL: It is a statement -- a cumulative

statement of percentages of workers classified

according to the rates per hour paid.

MR. KIMMICK: Hourly rates paid?

MR. McNEIL: Yes, my lord -- well, hourly earnings

Yes, my lord.

MR. KIMMICK: Yes.

EXHIBIT NO. 870: Cumulative statement of

percentages of workers
classified according to
hourly earnings. Now can
you state the contents?

MR. McNEIL: Now, in dealing with adult males in

is -- wait now, that is not the right one, this is

the one I am dealing with; adult males in 1935.

MR. KIMMICK: Just

than 35 cents an hour and in 1935 there was 4.57%

getting less than 35 cents an hour. In 1935 there

were 5.70% getting less than 30 cents an hour and

in 1935 4.57%, which is the same figure. In 1935

there were 45.70% getting less than 35 cents an hour

but in 1935 there are 66.01% getting less than 35

cents an hour. Now, you will see from that, Mr.

Burns, that as far as adult males are concerned that there was a great jump in the percentage getting less than 35 cents an hour. A: Do you understand that figure there?

5 Q. Between the years 1926 and 1936.

A. In 1930 it is 5.84% and that jumped to 66.01%; now, there is something wrong surely there because the one before is 43%. There must be something wrong there with that figure.

10 THE COMMISSIONER: It is 43.70 in 1926; then it goes to 5.84 in 1930 and then jumps to 66.40.

MR. McRUER: Do you suppose there is a mistake in the figure there, that it should be 55 or something like that? It may be a typographical error.

15 THE COMMISSIONER: You see the number of those earning over 40 cents an hour in 1930 is 47.44%.

20 SECRETARY WHITELEY: In 1930 in the report they had 64 getting between 35 and 40 and in 1936 they reported they had 92 getting between 30 and 35. In other words, it dropped down a class.

MR. McRUER: There was a drop of a class --

25 SECRETARY WHITELEY: In 1930 there were only 4 employees in the class 30 to 35 cents. In 1936 there were 92.

MR. McRUER: That seems to be according to the report we got.

THE WITNESS: I cannot account for it myself. I don't see how there could be a fluctuation like that.

30 Q. You must know whether there was a downward revision of your rates so that you would get more

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BRIDIE

...that as far as adult males are concerned
that there was a great jump in the percentage
less than 25 cents an hour. A. Do you mean
around that figure there?
...
A. In 1930 it is 5.64 and that jumped to 66.01;
now, there is something wrong early there because
the one before is 45. There must be something
there with that figure.
THE COMMISSIONER: It is 45.70 in 1928; then it
goes to 5.84 in 1930 and then jumps to 66.01.
MR. BRIDIE: Do you suppose there is a mistake
into figure there, that it should be 66 or something
like that? It may be a typographical error.
THE COMMISSIONER: You see the number of those
earning over 40 cents an hour in 1930 is 47.44.
SECRETARY WHITNEY: In 1920 in the report they
had 64 getting between 35 and 40 and in 1928
they reported they had 92 getting between 30 and 35
in 1930, 100 getting over 40.
MR. BRIDIE: There was a drop of a class --
SECRETARY WHITNEY: In 1930 there were only
4 employees in the class 30 to 35 cents. In 1928
there were 92.
MR. BRIDIE: That seems to be according to the
report we got.
MR. WHITNEY: I cannot account for it myself.
don't see how there could be a fluctuation like that
...
revision of your rates so that you would get more

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work for less money over that period because you see I pointed in one place where you were making more net profits for less money and now I am coming to another angle of it and it bears it out. It shows the same thing. A. It is pretty hard for me to tell that without having looked up to see.

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Q. This question of wages rates is a thing that you would surely just have right under your finger all the time? A. Well, it is pretty hard to know the wage rates without looking up the records.

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Q. I mean your general policy, whether your general policy was a downward revision? A. Our general policy was to pay fair wages.

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Q. That is not the question -- BY THE COMMISSIONER: Q. Never mind the policy, it is what actually occurred; what was the trend? A. The trend naturally has been to slightly lower wages during the last few years. My recollection is that in 1934 our wages were 7% less than they were in 1930.

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Q. You mean the total pay was 7% less? A. All the employees in the mill that is. BY MR. McRUER: Q. What do you mean by that? A. I think I might be able to explain that to you.

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Q. Probably if you could, just before we get too far away from this; don't forget if there is something you want to put in, Mr. Burns, in that regard. Then, I want to go to the youths and boys --

THE COMMISSIONER: Just answer me a question, in

... it is pretty hard for me
... it and it beats it out. It shows the same
profits for less money and now I am coming to know
I pointed in one place where you were making more
work for less money over that period because you had

you would surely just have to wonder your finger

All the time?

A. Well, it is pretty hard

to make the work easier without losing up the record

What actually occurred; what was the truth?

... The trend is clearly has been to eliminate forest

in that in 1944 out wages were 1/2 less than they were

BY THE COURT: So you mean by that

A. I think I might be able to explain that to you.

.. Probably if you could, just before we get to

It would be put in Mr. Burns, in that regard.

your numbers of adult males here, 150, 137, 135,
whatever it may be, does that include those on salary;
is there anybody on salary?

MR. McRUER: Mr. Whiteley, that would not?

5 SECRETARY WHITELEY: I would not think so, my lord.

BY MR. McRUER: Q. Then, we come to the youths and
boys; in 1926 there were 39.39% getting less than 21
cents an hour and in 1930 there were 83.33% --

MR. KELLOCK: 1936, 100%.

10 MR. McRUER: 1936, 83.33%. A. That is a
comparison of the boys?

Q. Yes, of the boys employed? A. Does it say
how many boys?

15 ASSISTANT SECRETARY PENE: Yes, at the bottom there.

THE WITNESS: Oh, there were 6, I see.

MR. McRUER: There had been 33.

BY THE COMMISSIONER: Q. There were only 6 boys in
1936? A. And 15 in 1930.

20 Q. What do you mean by your 100% got less than 30
cents an hour?

MR. McRUER: All six got less than 30 cents an hour.

THE WITNESS: Apparently there are fewer boys now
than before. I don't know just why that would be.

25 Q. Apparently there are more girls, or females
than there were before, that is, over 18 years. We
come to the year 1926 again, under adult females,
in 1926 there were 22.70% got less than 25 cents an
hour. In 1936 there were 30.81%.

30 A. Now many
employees does that cover?

Q. That covers 172 in 1936 and 141 in 1926. Now,

your numbers of rent raise here, 190, 187, 185,
whatever it may be, does that include those on the

in that building in 1907?

Q. Yes, Mr. Whitely, that would be right.

Q. Now, Mr. Whitely, I would not think so, my

BY MR. MURPHY: A. Then, we come to the youths

boys; in 1906 there were 29.00¢ getting less than

cents an hour and in 1900 there were 28.30¢ --

MR. MURPHY: 1906,

Q. Now, Mr. Whitely, in 1906,

composition of the boys?

A. Yes, or the boys employed?

Q. Now, Mr. Whitely,

ASSISTANT SECRETARY MRS. Q. Yes, at the bottom of

THE WITNESS: Oh, there were 6, I see.

MR. MURPHY: There had been 28.

BY THE COURT: Q. There were only 6 boys

1906? A. And 16 in 1900.

Q. What do you mean by your 100¢ got less than

in that building?

MR. MURPHY: All six got less than 20 cents an

THE WITNESS: Apparently there are fewer boys now

than before. I don't know just why that would be

A. Apparently there are more girls, or females

than there were before, that is, over 18 years.

Q. Now, Mr. Whitely, under adult females

in 1906 there were 22.70¢ got less than 20 cents

hour. In 1900 there were 20.81¢.

Q. Now, Mr. Whitely, does that cover?

A. That covers 72 in 1900 and 141 in 1906.

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we have the same thing here, you see. In 1930 there were 20.26% got less than 25 cents an hour, but that jumped in 1936 -- between then and 1936 to 30.81%, and you get a more marked increase in the next classification. In 1930 22.22% were getting less than 30 cents an hour but 61.39% in 1936.

THE COMMISSIONER: Just a moment, an interruption; you have these figures at less than 12½, less than 17, less than 21 and the last one is 40 cents per hour and over. Do you mean less than 40 cents per hour?

SECRETARY WHITELEY: No.

THE COMMISSIONER: Were actually getting 40 cents per hour and over?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: There is a big percentage of those in 1930.

THE WITNESS: You see, it was 60.30% in 1926 and then in 1930 22.22%; that does not look consistent.

BY MR. McRUER: Q. I know, but that seems to be the fact that your wages increased from 1926 to 1930 and then from 1930 to 1936 decreased; that seems to be all the way through. A. There were only 22% there; that is what I cannot understand.

Q. They were in another category in 1930; the big category was between 35 cents and 40 cents an hour in 1930. There is the difference between 39% and 98%.

A. Of course, that might be new help coming on.

Q. Well, you can hardly -- did you have a great ban

we have the same thing here, you see. In 1930
were 20.25¢ got less than 25 cents an hour, but
jumped in 1936 -- between then and 1936 to 20.51¢
you get a more marked increase in the next class
category. In 1930 22.25¢ were getting less than
cents an hour but 21.25¢ in 1936.

THE COMMISSIONER: Just a moment, an interesting
you have these figures at less than 15¢, less than
14¢, less than 11 and the last one is 40 cents per
hour and over. Do you mean less than 40 cents per
hour?

THE COMMISSIONER: Yes, my lord.
per hour and over.

MR. MORRIS: Yes, my lord.
THE COMMISSIONER: There is a big percentage of
in 1930.

THE WITNESS: You see, it was 20.50¢ in 1936 and
then in 1930 22.25¢; that does not look consistent.

BY MR. MORRIS: I know, but that seems to be
the fact that your wages increased from 1936 to 1930
and then from 1930 to 1936 decreased; that seems to
all they through.

That is what I cannot understand.

Q. They were in another category in 1930; the
category was between 25 cents and 40 cents an hour.
1930. There is the difference between 35¢ and 25¢.
A. Of course, that might be now help coming on.

Q. Well, you can hardly -- did you have a great

of new help come on between 1930 and 1936?

A. No, I would not say so.

SECRETARY WHITELEY: In 1930 the biggest group is 35 to 40 and in 1936 the big group was 25 to 30.

5 BY MR. McRUER: Q. You see, there is your big group between those two in 1930 but your big group in 1936 is between 25 and 30. A. What is the explanation of this?

10 Q. Well, the only explanation I can see -- and I am asking you if there is any other than the fact that your wages went up up to 1930 and then came down between 1930 and 1936. A. At the 35 cents an hour the largest jump -- it is from 39 to 98.

15 Q. Yes, your big category --

THE COMMISSIONER: It has gone down.

MR. McRUER: That is, 98% were in the lower category in 1936 but only 39% in that category in 1930.

20 MR. KELLOCK: Does this cover the three mills, Mr. McRuier?

MR. McRUER: No, it is Dunnville, it is marked.

MR. KELLOCK: I know it says Dunnville but that is where the head office of the company is.

25 BY MR. McRUER: Q. Well, girls under 18, there are not many now; there is only one in 1936, so that does not form a very good comparison.

THE COMMISSIONER: She is 100%.

30 MR. McRUER: She is 100% below 21 cents. Now, we turn then to the next statement, which is the average hourly rates paid to the different occupations.

THE COMMISSIONER: Are those rates?

of new help come on between 1930 and 1935?

A. No, I would not say so.

Q. And in 1936 the big group was 25 to 30.

BY MR. MURPHY: Q. You see, there is your big group

between those two in 1930 but your big group in 1935

is between 25 and 30.

of 1935?

A. Well, the only explanation I can see -- and

am asking you if there is any other than the fact

that your wages went up to 1930 and then came down

between 1930 and 1935.

Q. At the 25 cents and

most the largest jump -- it is from 25 to 30.

A. Yes, your big category --

THE COMMISSIONER: It has gone down.

MR. MURPHY: That is, 25% were in the lower category

in 1930 but only 20% in that category in 1935.

MR. MURPHY:

MR. MURPHY: No, it is impossible, it is marked.

MR. MURPHY: I know it says impossible but that

is not the case.

BY MR. MURPHY: Q. Well, girls under 18, there

not many now; there is only one in 1935, so that

does not form a very good comparison.

THE COMMISSIONER: She is 100%.

MR. MURPHY: She is 100% below 21 cents.

turn then to the next statement, which is the statement

heavily risen paid to the different occupations.

THE COMMISSIONER: Are those correct?

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MR. McRUER: No, earnings.

THE COMMISSIONER: You call them rates there.

MR. McRUER: They should be earnings.

THE COMMISSIONER: Average hourly earnings.

5 ASSISTANT SECRETARY RENE: Are you putting that in as the same exhibit, or another one?

MR. McRUER: I think we better have it as a different exhibit because it is more convenient later on to refer to them.

10 THE COMMISSIONER: Then, it is exhibit 673; that is a statement of average hourly earnings.

EXHIBIT NO. 673: Statement of average hourly earnings, Monarch Knitting Company, Limited.

15 BY MR. McRUER: Q. Now, what occupations form the large groups, Mr. Burns, spinners? A. Are you looking at the front page?

Q. No, let us see now --

20 THE COMMISSIONER: Well, there is only one page in the exhibit.

MR. McRUER: Well, it is this one, my lord, that we are dealing with now.

THE COMMISSIONER: Average hourly earnings, not the other one?

25 SECRETARY WHITELEY: One is male and the other is female.

THE COMMISSIONER: Then, that other sheet should be earnings too instead of rates?

30 MR. McRUER: Yes, my lord, I think it might be part of 673.

THE COMMISSIONER: You call them rates here.
MR. MORRIS: They should be earnings.
THE COMMISSIONER: Average hourly earnings.
ASSISTANT SECRETARY RYAN: Are you putting that in
as the same exhibit, or another one?
MR. MORRIS: I think we better have it as a
different exhibit because it is more convenient later
on to refer to them.
THE COMMISSIONER: Then, it is exhibit 678; that
is a statement of average hourly earnings.
EXHIBIT NO. 678: Statement of average hourly
earnings, United
Company, Limited.
BY MR. MORRIS: Q. Now, what occupations from the
large group, Mr. Ryman, spinners?
A. Are you
looking at the front page?
Q. No, let us see now --
THE COMMISSIONER: Well, what is that? It is
is two exhibits.
MR. MORRIS: Well, it is this one, my lord, that
we are dealing with now.
THE COMMISSIONER: Mr. Ryman, average hourly earnings, not
the other one?
SECRETARY WILKINSON: One is male and the other is
female.
MR. MORRIS: Yes, my lord, I think it is those
earnings you talked of before.

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THE COMMISSIONER: Yes, it is the same subject.

BY MR. McRUER: Q. Now, which would form your larger groups of occupations? A. Male?

Q. Among the males, yes; knitters would be one?

A. Knitters, I would think, and warehousing.

Q. Warehouse and shipping? A. Yes.

SECRETARY WHITELEY: Dye house.

BY MR. McRUER: Q. How about your dye house?

A. The dye house are all male.

Q. How about spinners? A. The spinners are male.

THE COMMISSIONER: You are not talking of percentage?

MR. McRUER: It is the groups.

THE COMMISSIONER: It is the groups of men?

MR. McRUER: Groups of men employed.

BY THE COMMISSIONER: Q. There are the knitters?

A. I would think the knitters would be.

Q. Then, the warehouse -- I don't think you mean that, do you?

SECRETARY WHITELEY: I have the figures here. The largest group is knitters, the second largest group is warehouse and the third largest is dye house.

MR. McRUER: Yes, in 1926 -- oh yes, here we have it again, Mr. Burns; we are gradually getting this solved. Look at the knitters, for instance, knitters in 1926, the average was 36.6 cents.

THE COMMISSIONER: That is for adult males?

MR. McRUER: For adult males; I am looking at the wrong one, 1926, 34.8; 1930, 36%; 1934, 34.6% --

SECRETARY WHITELEY: Cents.

THE COMMISSIONER: Yes, it is the same subject.
BY MR. McNEIL: Now, which would form your
largest groups of occupancies?
A. Male.
Q. Among the males, yes; knitters would be one.
A. Yes.
Q. Warehouses and shipping?
A. Yes.
BY MR. McNEIL: How about your dye houses?
A. The dye houses are all male.
Q. How about spinners?
A. The spinners
male.
THE COMMISSIONER: You are not talking of three
MR. McNEIL: It is the groups.
THE COMMISSIONER: It is the groups of men?
BY THE COMMISSIONER: There are the knitters
A. I would think the knitters would be.
Q. Then, the warehouses -- I don't think you mean
that, do you?
SPECIALLY WHITEHEAD: I have the figures here. The
largest group is knitters, the second largest group
is warehouses and the third largest is dye houses.
MR. McNEIL: Yes, in 1926 -- oh yes, here we have
it again, Mr. Brown; we are gradually getting this
solved. Look at the knitters, for instance,
knitters in 1926, the average was 35.6 cents.
THE COMMISSIONER: That is for adult males?
MR. McNEIL: For adult males; I am looking at the
wrong one, 1926, 34.8; 1930, 36; 1934, 34.6 --

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MR. McRUER: Cents, yes; 1936, 34.9 cents. So that again that shows a rise in the wages up to 1930 and then a decline to 1934, and a slight upward rise --

A. Back to the 1926 basis.

Q. We are not at the 1926 basis practically. Then, to take warehouse shipping and stores; that is the second largest group. 39 cents in 1926, 38.1 in 1930, that is a slight drop; 35.3 in 1934 and 33.3 in 1936 so that we have 3 cents, or 2.7 cents an hour less in 1936 than they were in 1926.

A. How many males does that cover?

SECRETARY WHITELEY: In 1936 there were 26.

MR. McRUER: How many in 1926?

SECRETARY WHITELEY: 1926 was 18.

BY MR. McRUER: Q. Then, take the dye house employees. A. It would probably be -- it is something I believe I could get for you and that would be a record as to what changes had been made in the staff, whether some of the older people -- you see, it is a ten year period -- whether there were younger fellows put on as beginners, you see.

Q. Yes, but these are averages.

BY THE COMMISSIONER: Q. Some of the people in 1926 would be promoted on and you would be taking on others in that year? A. Yes. That explanation would account for it.

BY MR. McRUER: Q. These are averages, it is a cross-section, these are averages. You would be having new people coming on at different periods during those years? A. Starting at the bottom

Mr. McNair: Gentlemen, you see, 1935, 34.9 cents. 30
that again that shows a rise in the wages up to 1935
and then a decline to 1934, and a slight upward trend
A. Back to the 1935 basis.
Q. We are not at the 1935 basis presently.
to take warehouse shipping and stores; that is the
second largest group. 39 cents in 1935, 38.1 in
1930, that is a slight drop; 35.8 in 1928 and 35.3
in 1926 so that we have 3 cents, or 8.7 cents an
less in 1935 than they were in 1926.
Q. How many miles does that cover?
Mr. McNair: How many in 1926?
A. It would probably be -- I
is something I believe I could get for you and the
it would be a record as to what changes had been made
in the staff, whether some of the older people --
see, it is a ten year period -- whether there were
younger fellows put on as beginners, you see.
Q. Yes, but these are averages.
BY THE COMMISSIONER: Q. Some of the people in
would be promoted on and you would be taking on of
in that year? A. Yes. That explanation would
account for it.
BY MR. McNair: Q. These are averages, it is a
cross-section, these are averages. You would be
having new people coming on at different periods
during those years?

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to work up.

Q. Then, your dye house employees, in 1926 it was 36.6 cents and in 1930, 41.2; 1934, 36.5 and 1936, 34.9 which again there is at the low point over that period of ten years. Then, we take -- well, those are the three large groups. The spinners, have you many spinners?

SECRETARY WHITELEY: Only four.

BY MR. McRUER: Q. Just four; from 1926 to 1930 it goes up ten cents an hour and then drops twelve cents an hour from 1930 to 1934 and then up again 4.8 cents an hour between 1934 and 1936. Now, what are the large groups, Mr. Whiteley, in the youths and boys?

SECRETARY WHITELEY: There are only six altogether.

MR. McRUER: We will pass that over; we will turn over now to the females.

SECRETARY WHITELEY: The largest group in the females are the finishers. The second largest is warehouse, the third is winding and the fourth is cutters. Winding will be at the foot.

THE COMMISSIONER: Where are the cutters?

SECRETARY WHITELEY: The cutters should be about the middle. Balling and boxing is almost as large as cutters. It is down near the foot too.

BY MR. McRUER: Q. Now, take the first group, the finishers; in 1926 it was 29 cents; in 1930 35.6 cents; 1934, 23.1 cents, which is a drop of twelve cents an hour, 12.5 cents an hour between 1930 and 1935 --
A. 1930 and 1934.

to work up.

There, your day house employees, in 1933 it was 35.6 cents and in 1930, 41.8; 1934, 35.6 and 1935, 34.9 which again there is at the low point over the period of ten years. Then, we take -- well, these are the three large groups. The employees, have you any spinners?

BY MR. MORRIS: I just took; from 1933 to 1935 it goes up ten cents an hour and then drops twelve cents an hour from 1935 to 1934 and then up again 4.8 cents an hour between 1934 and 1935. Now, what are the large groups, Mr. Whitely, in the textile industry?

SECRETARY WHITLEY: There are only six altogether. MR. MORRIS: We will pass that over; we will turn over now to the textiles.

SECRETARY WHITLEY: The largest group in the textile industry are the finishers. The second largest is warehousemen. The third is winding and the fourth is cutters. With all of the four.

THE CHAIRMAN: Where are the cutters? SECRETARY WHITLEY: The cutters should be about 10,000. Baling and boxing is almost as large as

BY MR. MORRIS: Now, take the first group, the finishers; in 1935 it was 35 cents; in 1930 35.6 cents, 35.1 cents, which is a drop of twelve cents an hour, 12.5 cents an hour between 1930 and 1935 -- A. 1930 and 1934.

Q. 1930 and 1934, and then in 1936 it is 28.2 which is a rise of 5.1 cents per hour. A. There

must be some explanation for a drop of that kind. Is there anything you would like me to look up further?

Q. All I am asking is, you have put in a return of what your wages are and we have analyzed it and I am drawing it to your attention and giving you an opportunity, if there is any explanation to make,

to make it as to why during this period of 1930 to 1936 the wages have been out? A. My lord,

does it look like a consistent figure?

BY THE COMMISSIONER: Q. If you find out there is something there that is misleading let Mr. Kellock know and discuss it with him and come back and tell us what it is. A. Mr. Kellock, will you make a note of that?

MR. KELLOCK: Yes, I have.

BY MR. McRUER: Q. Then, in the warehousing and shipping, the second largest group, the variation isn't so great there? A. Where is that?

Q. Here we are. It was 23.4 cents an hour in 1926, in 1930 it was 24.1, in 1934 it was 24.8, there is a slight rise there and in 1936 it is 23.7.

THE COMMISSIONER: Pretty steady.

MR. McRUER: Pretty much the same there. Then, the winding, in 1926 it was 30 cents, in 1930 it was 31.7, in 1934 it was 27.6 and in 1936 it was 25.2. You see there the girls are getting practically five cents an hour less than in 1926 and 6.5 cents an hour

Q. 1930 and 1934, and then in 1936 it is 28.2

A. There which is a rise of 6.1 cents per hour.

must be some explanation for a drop of that kind. Is

there anything you would like me to look up further?

A. All I am asking is, you have put in a return

of what your wages are and we have analysed it and

I am drawing it to your attention and giving you an

opportunity, if there is any explanation to make,

to make it as to why during this period of 1930 to

1936 the wages have been cut?

A. My Lord, does it look like a consistent theory?

BY THE COURT: Q. If you find out there

is something there that is misleading let Mr. Kellogg

know and discuss it with him and come back and tell

us what it is. A. Mr. Kellogg, will you

make a note of that?

BY THE COURT: Q. Now,

BY MR. NORMAN: Q. Then, in the warehousing and

shipping, the second lowest group, the variation is

so great there? A. Where is that?

Q. Here we are. It was 28.4 cents an hour in

1930, in 1930 it was 24.1, in 1934 it was 24.8, then

is a slight rise there and in 1936 it is 23.7.

BY THE COURT: Q. Now,

BY MR. NORMAN: Q. Now,

the findings, in 1930 it was 30 cents, in 1930 it was

31.7, in 1934 it was 27.6 and in 1936 it was 25.2.

You see there the girls are getting practically 17

cents an hour less than in 1930 and 6.5 cents an hour

less than in 1930. Then, balling and boxing, just before that; in 1926 they were receiving 27.8 cents, 1930, 29.6 cents, 1934, 23.6 cents and 1936, 23.7 cents. They are getting now almost exactly six cents an hour less than they were in 1930. Then, the cutters; in 1926 33.2 cents, in 1930, 37.4 cents, in 1934, 36.3 cents and in 1936, 31.6 cents, and there again they are getting almost six cents an hour less than they were in 1930.

MR. BEAUREGARD: Girls under 18 years of age.

SECRETARY WHITELEY: There isn't many of them.

MR. McRUER: How many?

SECRETARY WHITELEY: Only one.

by MR. McRUER: Q. She is in the winding department and she is getting 18 cents an hour? A. Likely a beginner, I would think.

Q. Well, we will not put too much reliance in one instance anyway, Mr. Burns. I am not much of a believer in isolated things. A. May I have this?

Q. Oh yes. I suppose we might have a short recess now.

THE COMMISSIONER: Do you want a recess?

MR. McRUER: Yes, we have been on our feet.

-- Whereupon the Commission adjourned for a short recess.

(Page 9117 follows)

less than in 1930. Then, during and before, just
before that; in 1926 they were receiving 27.8 cents
1930, 29.6 cents, 1934, 28.6 cents and 1936, 28.5 cents.
They are getting now almost exactly six cents an hour
less than they were in 1930. Then, the cut was; in
33.2 cents, in 1930, 37.4 cents, in 1934, 30.3 cents
and in 1936, 31.6 cents, and there again they are
getting almost six cents an hour less than they were
in 1930.

MR. BRYDIE: That is under 18 years of age.
STANLEY: That is right. There isn't many of them.
MR. BRYDIE: How many?
STANLEY: Only one.

by Mr. McRae: C. She is in the winding department
and she is getting 18 cents an hour. A. Likely
a regular, I would think.

Q. Well, we will not say she is a regular, is
one instance anyway, Mr. Brydie. I am not much of
believer in isolated things. A. May I have the
... On that. I suppose we might have a short...

THE COMMISSIONER: Do you want a recess?
MR. BRYDIE: Yes, we have been on our feet.
-- The reason the Commission adjourned for a short...

(Voice: Very faint)

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Q. Now, Mr. Burns, you manufacture hosiery?

a. Yes, sir.

Q. What tariff protection have you on the goods that you manufacture- your goods come under what items? A. 568, that is the knitted goods.

Q. And then the hosiery item, you come under that?

A. I think that is 569, I am not sure.

Q. Principally under those two items? A. Yes.

Q. And did you get some increases in 1930?

A. Did not get any increase on knitted goods, coming from Great Britain but we did from foreign countries.

Q. Did you get some increases later on?

A. No, sir.

Q. No increases in 1930? A. No, sir.

Q. No change then in the British rates? A. No change.

THE COMMISSIONER: Is this since 1930 or including 1930?

MR. HALLAM: It was two and a half per cent. less ten. I think Mr. Burns has forgotten. Increased in 1930 and French duty rate remained the same for three years.

THE WITNESS: The figures I had the net was 22½% both previous to 1930 and also since.

MR. KELLOCK: Mr. Hallam could explain.

MR. HALLAM: I think you are mistaken there. 1930 the 10% was put on.

THE WITNESS: I have looked up purposely so that I would be able to answer that. The rates given me

Q. Now, Mr. Brydie, you mentioned honesty?

A. Yes, sir.

Q. What kind of protection do you have on the goods?

A. I have a tariff on goods - your goods come under that

item? A. Yes, that is the tariff goods.

Q. And then the tariff is, you come under that

A. I think that is so, I am not sure.

Q. Specifically under those two items?

A. And did you get some increases in 1930?

A. Did not get any increases on knitted goods, coming

from Great Britain but we did from foreign countries.

Q. Did you get some increases later on?

A. No, sir.

Q. Did you get some increases in 1931?

A. No change then in the tariff rates? A. No.

Q. THE COMMISSIONER: Is this since 1930 on including

MR. BRYDIE: It was two and a half per cent. less

in 1930 and French duty rate remained the same for

three years.

THE WITNESS: The figures I had the net was

2 1/2 per cent previous to 1930 and also since.

MR. BRYDIE: Mr. Brydie could explain.

MR. BRYDIE: I think we are finished here.

THE WITNESS: The 10% was put on.

THE WITNESS: I have looked up but could not find

were $22\frac{1}{2}\%$.

Q. THE COMMISSIONER: When? A. In 1912
and 22.

Q. Are you talking of the general rates or British?

A. British Preference, $22\frac{1}{2}\%$ net in 1936.

MR. McRUER: Q. In 1936? A. Yes, and there
has been no change in that rate during the period
1930 to 1936.

THE COMMISSIONER: Q. That there was no change
made in 1930? A. Yes.

THE COMMISSIONER: It is really a matter of law
what the rates were.

MR. HALLAM: It was $22\frac{1}{2}\%$ in 1912 and that remained
through until 1923, when there was a change of 10%
discount off the duty rate and then in 1930 the duty
rate was changed to 25% with 10% still off.

THE COMMISSIONER: With $2\frac{1}{2}\%$ off that rate?

MR. HALLAM: Yes.

THE COMMISSIONER: When was that?

MR. HALLAM: In 1930.

THE WITNESS: The tariff book says, ---

MR. HALLAM: There was no discount in that
year.

MR. McRUER: Q. The discount that was put on
was in 1923? A. The discount that was made off
the duty was in 1923, and then a slight increase in
1930, difference between $22\frac{1}{2}\%$ and less 10 and $22\frac{1}{2}\%$.

Q. In 1923 it was $22\frac{1}{2}\%$ less 10 and in 1930 25 less

were 22 1/2%.

Q. THE COMMISSIONER: When? A. In 1912

and 22.

Q. Are you talking of the general rates or British

A. British preference, 22 1/2% net in 1936.

MR. McNEIL: Q. In 1936? A. Yes, and the

has been no change in that rate during the period

1930 to 1936.

THE COMMISSIONER: Q. That there was no change

Made in 1930? A. Yes.

THE COMMISSIONER: It is really a matter of law

that was decided.

MR. HALLAM: It was 22 1/2% in 1912 and that remained

through until 1935, when there was a change of 10%

discount off the duty rate and then in 1930 the duty

rate was changed to 22% with 10% still off.

Q. COMMISSIONER: Give the old and new rates?

MR. HALLAM: Yes.

THE COMMISSIONER: What was the rate?

MR. HALLAM: In 1930.

THE WITNESS: The tariff book says, ---

MR. HALLAM: There was no discount in that

year.

MR. McNEIL: Q. The discount that was put on

was in 1935? A. The discount that was made on

the duty was in 1935, and then a slight increase in

1930, difference between 22 1/2% and less 10 and 22 1/2%.

Q. In 1933 it was 22 1/2% less 10 and in 1930 22 1/2%

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THE COMMISSIONER: So that now it is the same as it was in 1912, 22 $\frac{1}{2}$ %.

MR. McRUER: Yes.

THE COMMISSIONER: And that is on what?

THE WITNESS: Knitted underwear.

Q. Knitted wear of all kinds? A. Yes.

MR. McRUER: Q. And then on the hosiery schedule there was some more drastic changes, were there not? A. Yes, the rate was increased on hosiery.

Q. What was the increase? A. It was increased from 25% ad valorem and 22% and a specific of 67 $\frac{1}{2}$ ¢ a dozen.

BY THE COMMISSIONER: Q. There was no specific previously? A. No, sir.

Q. That took place in 1930? A. I am not sure when it took place.

MR. McRUER: Have you it, Mr. Berry?

MR. BERRY: No.

MR. McRUER: It took place after 1930, at any rate.

THE WITNESS: I could not give you that information.

Q. There was no specific on until 1930?

A. I don't think so.

THE COMMISSIONER: Was not there a substantial revision of these things in the fall of 1930 - is not that right?

MR. HALLAM: Yes, there was a substantial upward revision in 1930, increased preferential and then

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Q. So that now it is the same as
A. Yes.
Q. The Commission said that is all right.
A. Yes.
Q. And then on the history schedule
A. Yes.
Q. What was the increase?
A. It was increased
from 1935 to 1936 and a specific of 87%
a dozen.
Q. BY THE COMMISSIONER: There was no specific
A. Yes.
Q. That took place in 1935?
A. I am not
sure when it took place.
Q. MR. MORRIS: Have you it, Mr. Berry?
A. MR. MORRIS: No.
Q. MR. MORRIS: It took place after 1935, at any rate
A. I am not sure.
Q. There was no specific on April 1935?
A. I don't think so.
Q. THE COMMISSIONER: Was not there a substantial
revision of these things in the fall of 1935 - is
not that right?
A. MR. MORRIS: Yes, there was a substantial upward
revision in 1935.

reduction in 1932 and the present rate is what Mr. Burns is giving you for 1936.

THE WITNESS: My lord, I was taking the comparison between the time this company was started .

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BY THE COMMISSIONER: Q In 1912 was how much?

A. You are speaking of knit goods?

Q. Hosiery? A. 25%.

MR. McRUER: Q. And now? A. 27% rate.

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Q. With specific duty? A. And 67½¢ specific

BY THE COMMISSIONER: Q. Which did not exist in 1912? A. No. 67½¢.

Q. How many? A. Per dozen pairs.

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MR. McRUER: Q. Now, if your company had not gone through that financial recapitalization, that is, putting out the stock that you did in 1912, and had just carried on you would be able to have gone ahead from 1912 and compete without any duty at all, would not you? A. Well, it is pretty hard

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to say - if something happened, why certain other things would happen.

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Q. But what you really have to have the duty for is to pay a dividend or attempt to pay a dividend on money that really was not actually invested in the first place, to say the least? A. Well, that may be your deductions.

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Q. Well, is it unfair? There are two ways of dealing with it, one as it is now and one as it might have been had the money made out of the business accumulated and enabled the business to build up

Q180

Burns

redemption in 1933 and the present rate is what Mr. Burns is giving you for 1936.

THE WITNESS: My lord, I was taking the company between the time this company was started.

Q. You are speaking of knit goods?

A. Yes.

Q. With specific duty?

A. Yes.

MR. MEYER: Now, if your company had not gone through that financial reorganization, that is,

cutting out the stock that you did in 1912, and

had just carried on you would be able to have gone ahead from 1912 and compete without any duty at all.

A. Well, it is pretty hard to say - if something happened, why get in other things would happen.

Q. But what you really have to have the duty for is to pay a dividend or attempt to pay a dividend

on money that really was not actually invested in the first place, to say the least?

A. Well, is it unfair? There are two ways

of dealing with it, one as it is now and one as it might have been had the money made out of the business

as an infant industry and then go and fly for itself after its wings got strong. Its wings got strong after 1912? A. It is a very difficult thing to say what would happen a business. Two partners at that time have since passed on and many changes have taken place, and it is pretty hard to say what would have happened a business under different circumstances.

Q. Well, your \$7,500 invested in 1903 by 1912 had become something like \$750,000. That is what you were actually paid by the Company for the \$7,500 invested. Well then, it had got past the stage then of being an infant industry, had not it?

A. Yes.

Q. Got to be a pretty strong healthy one? and apparently had good management and had done very well. Now, if you had gone on from that stage without this recapitalization and refinancing that took place you would not need the tariff protection that you have got now in order to compete with Great Britain or any other countries? A. Well, the picture that you laid before me is, I think, quite an impossible one.

Q. Why is it an impossible one. You see, the people of Canada provided your company with a tariff? A. Yes.

Q. Now, I am just trying to find out what use was made of it and I find now you have got along

as an infant industry and then go and fly for itself
after its wings got strong. Its wings got strong
after 1913? A. It is a very difficult thing
to say what would happen a business. Two partners
at that time have since passed on and many changes
have taken place, and it is pretty hard to say
what would have happened a business under different
circumstances.
Q. Well, your \$7,500 invested in 1908 by 1913
had become something like \$700,000. That is what you
were actually paid by the company for the \$7,500
invested. Well then, it had got past the stage
then of being an infant industry, had not it?
A. Yes.
Q. Got to be a pretty strong healthy one and
apparently had good management and had done very well.
Now, if you had gone on from that stage without this
reorganization and refinancing that took place
you would not need the tariff protection that you
have got now in order to compete with Great Britain
or any other countries? A. Well, the picture
that you laid before me is, I think, quite an
impossible one.
Q. Why is it an impossible one. You see,
the people of Canada provided your company with a
tariff.
A. Now, I am just trying to find out what use
was made of it and I find now you have got along

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very well, your industry grew and became very healthy and then in 1912 a recapitalization took place and a new feature was introduced into it and that was the set-up to pay dividends on a capitalization that was set up at that time, not on the \$7,500 they originally invested in it? A. It was to pay dividends on \$750,000 of stock that was sold at that time to pay the original shareholders.

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Q. To pay dividends on \$750,000 worth of stock and then on about \$1,000,000 and some odd thousands for good will. You see you are striving - if it is successful then it has got to go on and be more successful to pay dividends on the results of its success?

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A. Well, that is what you always hoped for.

Q. Well then, you have got very marked tariff increases in 1930 on the hosiery and I presume that you increased your hosiery business? A. Yes, sir.

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Q. By the way, were you a member of the hosiery section of the Woollen & Knit Goods Association?

A. Hosiery Section?

Q. Yes? A. Yes, sir.

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Q. I suppose you were taxed some fee for belonging to that? A. No, I don't think so.

Q. Did not cost anything to belong to it? A. No, there was a general association then.

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Q. There was the Woollen & Knit Goods Association that is what you paid your fee for? A. Yes, sir.

Q. And then the Hosiery Section required no

and then in 1918 a recapitalization took place and a
new structure was introduced into it and that was the
set-up to pay dividends as a recapitalization that was
set up at that time, not on the \$7,500 they originally
invested in 1917. It was to pay dividends
on \$750,000 of stock that was sold at that time to
pay the original shareholders.

To pay dividends on \$750,000 worth of stock
and then on about \$1,000,000 and some odd thousands
for good will. You see, you are surviving - it is in
successful then it has got to go on and be more successful
to pay dividends on the results of its success.
I tell, that is what you always hoped for.

Well then, you have got very marked capital
increased in 1920 on the history and I presume that
the business has really prospered - is that right?
By the way, were you a member of the London
section of the Woolmen & Knit Goods Association?

Yes, sir.
I suppose you were taxed some for belonging
to that?
No, I don't think so.
Did not cost anything to belong to it?
There was a general association then.

There was the Woolmen & Knit Goods Association of
that is what you said your firm was?
Yes, sir.

additional fee? A. No.

Q. What would be your fee for belonging to the
Woollen & Knit Goods Association? A. Well, my
recollection is that it was \$400 a year. That would
have to be checked. I think that is what it was.

Q. And then when you became a member of the
Hosiery Section some arrangement was made whereby
the members would get together on the question of price,
was there not?

MR. KELLOCK: Q. You mean Full-fashioned hosiery?

MR. McRUER: Yes.

THE WITNESS: You are talking about Full-fashioned
hosiery?

Q. On the full-fashioned hosiery you got together
on the question of price? A. Well, I would not
like to say that was correct because it is not a
correct statement.

Q. Well, you signed one of the price agreements,
did not you? Were you in at the beginning of the ---

A. I do not recall full particulars, don't know even
when it was started.

Q. Yes, go back to the 7th of March, 1932 and is
L. John Haywood the Treasurer of your company?

A. Yes.

Q. And we have in Exhibit 568 one of the form
letters - they are all the same wording?

A. Who was that addressed to?

Q. That is addressed to Mr. Douglas Hallam of
the Silk Association, and this set out what your

Q. What would be your fee for returning to the
A. Well, my
recollection is that it was \$400 a year. That would
have to be checked. I think that is what it was.
Q. And then when you became a member of the
A. Well, I think that is what it was.
Q. The members would get together on the question of
was there not?
Q. Well, I think that is what it was.
Q. You were talking about Full-Fashioned
Q. Well, I think that is what it was.
Q. On the Full-Fashioned hostility you got together
on the question of prices?
A. Well, I would not
like to say that was correct because it is not a
Q. Well, you signed one of the price agreements,
did not you?
A. I do not recall full particulars, don't know even
Q. Yes, go back to the 7th of March, 1938 and is
Q. John Haywood the Treasurer of your company?
A. Yes.
Q. And we have in Exhibit 588 one of the form
letters - they are all the same wording?
A. Who was that addressed to?
Q. That is addressed to Mr. Douglas Halliday of

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lowest price is to be: "Our prices from stock in the West are not less than \$6.35," &c. How did your man come to sign this agreement? A. I think that was a matter that was taken up with us by Major Hallam and I think the idea was to have an exchange, have it recorded to him what our price was.

Q. We will read the agreement? A. Will you please let me see the agreement.

Q. I ask you first how you came to get into this? A. How we came to get into which, do you mean?

Q. To sign these agreements? A. I think it was because Major Hallam had seen us or talked to us over the telephone and discussed the matter.

Q. Did you not attend any meetings of any committees in connection with this? A. No committees.

Q. You did not attend any meetings of any of the members of the Full-Fashioned Hosiery Section in connection with it? A. Yes, I have at times.

Q. And what I want to get is that you say as to why you were there and what you were doing? A. Well, anticipating you might ask something about that I made a note of a few things I think. One of the things that we discussed a great deal was definition of branded and unbranded packing.

Q. I am not so much interested in definitions of branded and unbranded packing as I am in how you got together to sign agreement in which you say you won't sell below certain prices without notifying

lowest price is to be: "Our prices from stock in the
went a lot less than \$6.35," so.
How did your
men come to sign this agreement?
A. I think
that was a matter that was taken up with us by Major
William and I think the idea was to have an exchange,
have it recorded to him what our price was.
A. Will you
please let me see the agreement.
I ask you first how you came to get into this?
A. How we came to get into this, do you mean?
It was because Major William had seen us on talked
to us over the telephone and discussed the matter.
Did you not attend any meetings of any committee
in connection with this?
A. No committee.
You did not attend any meetings of any of the
members of the War-Rationed Society section in
connection with it?
A. Yes, I have no idea.
And what I want to get is that you say as to
why you were there and what you were doing?
A. I
anticipating you might ask something about that I
made a note of a few things I think. One of the
things that we discussed a great deal was definition
of pledged and unpledged property.
A. I am not so much interested in definitions
of pledged and unpledged property as I am in
got together to sign agreement in which you say

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Mr. Hallam, giving him two weeks' notice. How did you get down to this business? A. Well, I think that was brought about by so many manufacturers complaining about the misrepresentation that was taking place in the trade. One buyer would say that somebody's price was so-and-so and another buyer would say that somebody else's price was so-and-so and it was along that line I think that originally persuaded Mr. Hallam to try and work out a basis where he would know, be able to say as to whether the information that was brought to him was correct or not.

Q. Please do not look at your notes? A. I thought you wanted me--

A. No, wait until I get through. Why would it be necessary for Mr. Hallam to send out to all the mills a multigraphed copy containing identically the same prices if what you say is true he would only know the prices they were selling at?

A. No, I did not say that he would only know. I said so that he would know it and would be able to tell other manufacturers if misrepresentation was made.

Q. Why was it necessary for you to have all the same prices if that is the fact? A. That was on some minimum priced stuff.

Q. This is multigraphed copy of the agreement that was sent out from Major Hallam's office to you, to all the other mills that joined, 17, 21, -

Mr. Hallam, giving him two weeks' notice. Now did
you get down to this business?
I think that was brought about by so many manufacturers
complaining about the misrepresentation that was
taking place in the trade. One buyer would say that
somebody's price was so-and-so and another buyer
would say that somebody else's price was so-and-so
and it was along that line I think that originally
suggested Mr. Hallam to try and work out a basis where
he would know, be able to pay as to whether the
information that was brought to him was correct
or not.
A. Please do not look at your notes. I
thought you wanted me--
A. No, wait until I get through. Why would it
be necessary for Mr. Hallam to send out to all the
mills a multiplied copy containing identically
the same prices if what you say is true he would only
know the prices they were selling at?
A. No, I did not say that he would only know. I
said so that he would know it and would be able to
tell other manufacturers if misrepresentation was
made.
A. Why was it necessary for you to have all the
same prices if that is the fact?
A. That was
this is a misrepresentation of the facts
that was made by the mills.

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out of 22 mills we had 20 sent out to them to sign
and they are all the same and their prices were all
the same. Now, if it was just to cure misre-
presentation by salesmen in regard to the prices
that certain mills were selling at, why was it necessary
to do that ? A. I can tell you one reason why it
would be necessary to do it, is when these reports
would come to us, for instance, we would be inclined
to lower our prices to that kind of a basis and it
was to correct an evil of that kind that this was
entered into.

Q. You would lower your prices to the basis that
the other mill was selling at? A. No, to the
basis---

Q. That it was reported to you that the other mill
was selling at? A. Yes.

Q. That is, if it was reported to you that any
mill was selling at a certain price you would lower
your price to sell at that price? A. If,
after reviewing our cost, we felt that we should do it.

Q. All right, we are getting along. The
situation that was prevailing before these agreements
was this: That it would be reported to you that other
mills were selling at a certain price and you would
review your costs and if you felt that your costs would
justify it you would lower your price to that price.

A. I said if our costs, if after reviewing our costs
we considered it advisable.

out of 22 mills we had 20 sent out to them to sign
and they are all the same and their prices were all
the same. Now, if it was just to our interest
presentation by witnesses in regard to the prices
that certain mills were selling at, why not let us
to do that? A. I can tell you one reason why it
would be necessary to do it, is when these reports
would come to us, for instance, we would be inclined
to lower our prices to that kind of a basis and it
was to correct an evil of that kind that it was
essential to do.
Q. You would lower your prices to the basis that
the other mill was selling at?
A. No, to the
basis---
Q. That it was reported to you that the other mill
was selling at?
A. Yes.
Q. That is, if it was reported to you that any
mill was selling at a certain price you would lower
your price to sell at that price?
A. I.
after reviewing our cost, we felt that we should do it.
Q. All right, we are getting along. The
situation that was prevailing before these agreements
was made, that is, we were inclined to pay that price
mill was selling at a certain price and we would
review your costs and if you felt that your costs would
justify it you would lower your price to that price.
Q. I said it was a matter of fact, if after reviewing our costs
we considered it advisable.

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Q. And it was to cure that situation that these agreements were entered into? A. Well, it was to try and correct an unfair thing that was going on in the trade.

Q. And the unfair thing was the situation - you have told me about - that a buyer would report of any mill that was selling at a certain price, then you would go and review your costs and if, after reviewing your costs, you felt it was justified you would lower your price to meet the price that had been reported to you? A. Yes, that is right.

Q. And it was to cure that that these agreements were developed- are we right in that? A. I think you are correct in that assumption.

Q. And the way that you proceeded to cure that situation, to keep you from lowering your prices after reviewing your cost to a price that you felt was justified, you all got together and signed the same price agreement with Mr. Hallam that you would not sell below those prices without notifying Mr. Hallam.

A. After making a careful survey of the situation Major Hallam would draw up a recommendation to stabilize the industry.

Q. I want to know what was done-- you say to stabilize the industry. Now, I have a letter here that is contained in Exhibit 564 dated June 13th,

1935:

"Dear Major Hallam:

Burns

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4. And it was to cure that situation that these

to try and correct an unfair thing that was going on

in the trade.

.. And the unfair thing was the situation a year

have told me about - that a buyer would report of

any will that was selling at a certain price, then

you would go and review your costs and if, after

reviewing your costs, you felt it was justified you

would lower your price to meet the price that had

been reported to you? A. Yes, that is right.

.. And it was to cure that that these agreements

were developed - are we right in that? A. I think

you are correct in that assumption.

9. And the way that you proceeded to cure that

situation, to keep you from lowering your prices after

reviewing your cost to a price that you felt was

justified, you all got together and agreed the same

price agreement with Mr. Hallam that you would not

sell below those prices without notifying Mr. Hallam.

A. After making a careful survey of the situation

Major Hallam would draw up a recommendation to stabilize

the industry.

10. I want to know what was done - you say to

stabilize the industry. Now, I have a letter in

that is contained in Exhibit 554 dated June 1935,

"Dear Major Hallam:

1935:

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This is from L.O. Hudson & Company Limited, and is signed by L.C. Hudson - do you know L.O. Hudson?

5 A. Yes, he is one of the manufacturers that has gone out of business on account of the cheap prices that Full-fashioned Hosiery was sold at.

Q. Well, he signed the agreement. Maybe he was one that Mr. Hallam said some of them did not keep it. But this letter dated June 13th, 1935 reads

10 as follows:

"Dear Major Hallam:

15 "At the expressed request of Mr. Burns and on the distinct understanding that 100% of the whole industry subscribe their names to the Agreement as attached herewith, our signature has been attached.

20 We want it, however, distinctly known that we reserve the right to withdraw this unless every firm in the Full Fashioned Industry complies to the Agreement.

Trusting this will clear the atmosphere and bring about an agreement."

25 A. Who was writing that? May I see it? I think I recall something about that. If I remember correctly Major Hallam phoned me and told me that he had sent the same form to L.O. Hudson at St. Catharines and he had not heard from him and asked me if I was going down to St. Catharines, if I was going down

30 if I would ask him about it. I did not happen to be going down and so I telephoned him, if I

1938

WITNESSES

This is from I.O. Hudson & Company Limited, and is

signed by I.O. Hudson - do you know I.O. Hudson?

Yes, he is one of the manufacturers that has got

out of business on account of the cheap prices that

Full-fashioned Hosiery was sold at.

Well, he signed the agreement. Maybe he

was one that Mr. Hallam said some of them did not

it. But this letter dated June 1st, 1938 reads

as follows:

"Dear Mr. Hallam:

My first impression was that you

and on the distinct understanding that I

of the whole industry subscribe their names

to the agreement as attached herewith, out

signature has been attached.

We shall, however, be glad to

that we reserve the right to withdraw this

unless every firm in the Full Fashioned Hosiery

complies to the agreement.

Trusting this will clear the atmosphere

and bring about an agreement."

A. Who was writing that? Why I see it? I think

I recall something about that. If I remember

correctly Major Hallam phoned me and told me that he

had sent the same form to I.O. Hudson at St. Catharines

and he had not heard from him and asked me if I was

going down to St. Catharines, if I was going down

if I would ask him about it. I did not happen

remember correctly and told him the Major was anxious to hear from him.

5 Q. So that you were apparently taking an active part in soliciting full-fashioned Hosiery manufacturers to sign up these agreements? A. Would you call that taking an active part, to have a man telephone you - instead of going to see him you would telephone him and ask him.

10 Q. All right, that is what you did and apparently his letter then correctly states what took place and he says, "At the express request of Mr. Burns and on the distinct understanding that 100% of the whole industry subscribe their names to the agreement as attached herewith, our signature has been attached." 15 A. That is right.

Q. Now then, you were a signatory to the agreement in December, 1935? A. I would have to see it before remembering it. 20

Q. You evidently signed agreement, September 21st, 1935, your company - do you recollect what transpired after starting this agreement? A. 1935? Well, along what lines? 25

Q. It would be a year ago now the agreement was signed - are you still keeping up to it? A. Up to which?

Q. Up to this agreement? A. No, I don't think so. I think there are various prices on hose to-day. 30

Q. What has been done about it - what happened?

remember correctly and told him the Major was anxious
to hear from him.

Q. So that you were apparently taking an active
part in soliciting well-knowned history monuments
to sign up these agreements? A. Would you

only that taking an active part, to have a man tell
you - instead of going to see him you would tell him
him and ask him.

Q. All right, that is what you did and apparently
his letter then correctly states what took place
and he says, "At the express request of Mr. Burns
and on the distinct understanding that 100% of the

whole industry subscribe their names to the agreement
as attached herewith, our signature has been attached.
A. That is right.

Q. Now then, you were a signatory to the agreement
in December, 1955? A. I would have to see
it before remembering it.

Q. You evidently signed agreement, December 21st,
1955, your company - do you recollect what transpired
after starting this agreement? A. 1955? Well,
along what lines?

Q. It would be a year ago now the agreement was
signed - are you still keeping up to it? A. Up
to what?

Q. I think there are various firms on both sides
it has been done about it - what is possibly

5 A. Well, there are some manufacturers that are selling full-fashioned hosiery at very very low prices. We have gone down to a basis where we did not make any money at all on it and on one number particularly I know that you could lose 50% on our fixed charges.

10 Q. Well, you are one of these that we heard about selling below cost? A. Yes, I think every full-fashioned hosiery manufacturer in the low-end lines are selling every dozen below what it cost to do. That is my own opinion.

15 Q. Then can you tell me from looking at this agreement whether you are keeping up to the terms of the agreement? A. I think I can remember what our prices are (looks through agreement). No, our price on unbranded is 5.67; this is price is 6.55.

20 Q. Then your price now is below the price that was set in September, 1935?

THE COMMISSIONER: That agreement was abandoned, though.

25 MR. McRUER: I am trying to get from this gentleman if he signed, whether he abandoned it and if so, how? A. I think if my memory is correct about that that Major Hallam had submitted some other proposal.

Q. When did he submit some other proposal?

30 A. Oh, I could not tell you when. Perhaps you have some records there.

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Q. Now, you are saying that you are selling this-fashioned hockey at very low prices. We have gone down to a basis where we did not make any money at all on it and on one number specifically I know that you could lose 50¢ on our fixed charges.

A. Well, you are one of those that we heard about selling below cost? A. Yes, I think every

hockey manufacturer in the low-end lines are selling ever down below what it cost to do. That is my own opinion.

Q. Then can you tell us from looking at this agreement whether you are keeping up to the terms of the agreement? A. I think I can remember that

our prices are (look through agreement). No, our price on unbranded is 5.5¢; this is price is 5.5¢. Then your price now is below the price that

Q. Now, I am trying to get from this gentleman if he signed, whether he abandoned it and if so, how? A. I think if my memory is correct about that that Major Hildam had submitted some other proposal.

Q. When did he submit some other proposal? A. Oh, I could not tell you when. Perhaps you

Q. No, I want to find out what you know about it?

A. I tell you candidly I cannot remember dates.

Q. I don't want dates. This is last year, get back your mind to last fall, this is September 21st, 1935. Now, you have for years been signing

these agreements and it had been working and there is a scheme of this kind, and when I say that I am not using it offensively - a method of this kind of maintaining the prices? A. It was not maintained.

Q. Well, you say it was not maintained but did you follow that up with something else? A. I think there is another suggestion came later that the price should be lowered to 5.25 plus taxes.

Q. When would that come? A. Subsequent to that.

Q. Would there be some correspondence in this?

A. I don't know.

Q. Would it come by correspondence or telephone message or how? A. No, it would be one of those forms sent to us to sign, I presume.

Q. There does not appear to be any more forms like this sent out to sign. Mr. Hallam said in November altogether 11 had signed it and there was a meeting in Toronto in which it was all discussed, and I think that was November 15th last year. Now, were you at that meeting? A. I don't recall it.

Q. No, I want to find out what you know about it.
A. I tell you candidly I cannot remember dates.
Q. I don't want dates. This is last year.
Get back your mind to last fall, this is September
last, 1933.
Now, you have for years been signing
these agreements and it had been working and there is
a scheme of this kind, and when I say that I am
not using it offensively - a method of this kind
of maintaining the prices?
A. It was not.
Q. Well, you say it was not maintained but did
you follow that up with something else?
A. I think there is another suggestion came later that the
price should be lowered to 5.25 plus taxes.
Q. When would that come?
A. Subsequent to
Q. Would there be some correspondence in this?
A. I don't know.
Q. Would it come by correspondence or telephone
message or how?
A. No, it would be one of
those forms sent to us to sign, I presume.
Q. There does not appear to be any more forms
like this sent out to sign.
Mr. William said
in November altogether I had signed it and there
was a meeting in Toronto in which it was all dis-
cussed, and I think that was November last year.
Now, were you at that meeting?
A. I don't recall

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Q. You do not recall a meeting in Toronto at any rate where you were told that this meeting was at an end because enough had not signed it? A. I cannot recall it right now.

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Q. Well, did you attend a meeting in Toronto where they discussed the question of some substitute for this agreement? What I want to get at is if you can throw any light on why the agreement did not go on?

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A. I imagine there may have been some change in the raw material price or something of the kind which would make it necessary to lower the price.

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Q. I want to get any discussion that took place in regard to that? A. It is very difficult to remember those things, particularly when there are so many other things that took place in the interval.

20

Q. Well, do you remember when it was necessary for you to get a permit to well discontinued lines? A. I don't remember when it was, I remember that that was a regulation, something we agreed to.

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Q. And did you apply for permits at different times to sell any discontinued lines? A. Now, I am not sure.

Q. You don't know whether you did or not? A. I would not come into contact with that, I think.

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Q. Who would be the person who would come into actual contact with this and know about it?

Q. You do not recall a meeting in Toronto at any
rate where you were told that this meeting was at all
and because enough had not signed it?
A. I cannot recall it right now.

Q. Well, did you attend a meeting in Toronto
where they discussed the question of some substitutes
for this agreement? What I want to get at is
if you can throw any light on why the agreement did
not go on? A. I imagine there may have been
some change in the raw material price or something
of the kind which would make it necessary to lower
the price.

Q. I want to get any discussion that took place
in regard to that? A. It is very difficult
to remember when the
and no many other things that took place in the
interval.

Q. Well, do you remember when it was necessary
for you to get a permit to sell discontinued lines?
A. I don't remember when it was, I remember that that
was a regulation, something we agreed to.

Q. And did you apply for permits at different
times to sell any discontinued lines?
A. Now,

Q. You don't know when it was or not?
A. I would not come into contact with that, I think.
Q. Who would be the person who would come into
contact with this and know about it?

A. Well, that would simply be a routine matter that I had probably given instructions any time there was any discontinued lines to report them to Major Hallam.

5 Q. It would not be a very routine matter if you had to make application for a permit to set out the price at which you wanted to sell the discontinued lines and to whom you were going to sell it and all sorts of details about it and then send it to Toronto and then get a permit back that you are allowed to
10 sell it and set out the price and everything else. That is not just routine? A. Well, it is routine after you know that is the course that is expected to be pursued.
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Q. Who would handle that aspect of it?

A. Well, it would probably be referred to me, and say we have 55 dozen of a lot we are discontinuing and we think that we can sell them for so much per dozen,
20 colours would be broken and sizes broken and then we would probably telephone Major Hallam and ask him about it.

Q. Did you act on any committees in connection with this matter at all? A. No.
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Q. You were not on the committee that passed on the permits as to whether they should get a permit or not? A. No.

Q. Do you know any of the people that were on that committee? A. No, I think that you may
30 be under a mistaken idea in connection with full-

A. Well, that would simply be a routine matter that I had probably given instructions any time there was any discontinued lines to report them to Major Nelson. It would not be a very routine matter if you had to make application for a permit to set out the price at which you wanted to sell the discontinued lines and to whom you were going to sell it and all sorts of details about it and then send it to Toronto and then get a permit back that you are allowed to sell it and set out the price and everything else. That is not just routine? A. Well, it is routine after you know that is the course that is expected to be pursued.

A. Two would handle that aspect of it. A. Well, it would probably be referred to me, and we have 35 dozen of a lot we are discontinuing and we think that we can sell them for so much per dozen colours would be broken and sizes broken and then we would probably telephone Major Nelson and ask him about it.

A. Did you act on any committee in connection with this matter at all? A. No.

A. You were not on the committee that passed on the permits as to whether they should get a permit or not? A. No.

A. Do you know any of the people that were on that committee? A. No, I think that you may be under a mistaken idea in connection with this.

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fashioned hosiery end. We are very small in that branch of the business as compared with many other concerns.

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Q. Well, is it a small part of your business?

A. It is a small part of our business, yes, and so we were not so much concerned in it as many other manufacturers.

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Q. I have a copy of a letter here from you to Mr. Hallam dated September 8th, 1930 - that would be about the time that you were making representations to the Government as to what tariff increases you thought were necessary on your product? A. May

I read it?

15

Q. Yes. A. (Witness reads letter).

I think that one word is wrong there. Is this the important part that is underlined?

Q. No, you just read it, it is all important.

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A. Are you going to read that into the record?

Q. You sent this letter, did you? A. Yes,

that looks like a letter I would write.

THE COMMISSIONER: That is already on file?

MR. McRUER: No.

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EXHIBIT 674: Copy of letter dated Sept. 8, 1930 from J.A. Burns to Major Hallam, with "Memorandum" attached, dated Sept. 8, 1930.

Your wire received. Enclosed herewith you will find Memorandum briefly covering our view on what will take place if the Government follow our recommendation regarding changes in the tariff.

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fashioned hostility and. We are very small in that
branch of the business as compared with many other
concerns.

Q. Well, is it a small part of your business?
A. It is a small part of our business, yes, and so
we were not so much concerned in it as many other
manufacturers.

Q. I have a copy of a letter here from you to
Mr. Hallam dated September 28th, 1930 - that would be
about the time that you were making representations
to the Government as to what tariff increases you
thought were necessary on your products? A. May

I read it?
Q. Yes.
A. (Witness reads letter).
I think that one word is wrong there. Is this
the important part that is underlined?

Q. No, you just read it, it is all important.
A. Are you going to read that into the record?
Q. You sent this letter, did you?
A. Yes,
that looks like a letter I would write.

THE COMMISSIONER: That is already on file?
MR. MORRIS: No.

EXHIBIT 574
Copy of letter dated Sept. 8,
1930 from J.A. Burns to
Major Hallam, with memorandum
attached, dated Sept. 8, 1930.

Your wife received. Enclosed herewith
you will find memorandum briefly covering our view
on that will take place if the Government follow
recommended action regarding operation of

9135

Burns

You have our authority to rewrite this for publicity, providing, of course, that the regulations as brought down by the Government are satisfactory.

I judge that you have received some favourable information since I had a talk with you in Ottawa last Friday. I think it is a splendid idea for you to stay right on the job at Ottawa and have a close personal touch with the entire situation."

SGD. J.A. Burns."

and the memo is:

"The changes in the tariff will, in our opinion, give our industry a market measure of relief from the unfair competition from other countries, where wages and living conditions are much lower than those prevailing in Canada.

Our three plants, at Dunnville, St. Catharines, and St. Thomas, have been operating on short time with a greatly reduced number of employees, and the changes in the tariff will, we believe, lead almost immediately to the employment of many who have been without work, and greatly relieve our anxiety regarding their welfare as winter is approaching, and the situation looked very serious..

It is our intention to maintain present

You have our authority to rewrite this for

publicity, providing, of course, that the

regulations as brought down by the Government

are satisfactory.

I judge that you have received some favourable

information since I had a talk with you in

Ottawa last Friday. I think it is a splendid idea

for you to stay right on the job at Ottawa and

have a close personal touch with the entire

situation."

JOE. E. A. WINE.

and the memo is:

"The changes in the tariff will, in our opinion,

give our industry a market measure of relief

from the tariff situation. From what I have

heard wages and living conditions are much

lower than those prevailing in Canada.

Our three plants, at Hamilton, St. Catharines

and St. Thomas, have been operating on short time

a greatly reduced number of employees, and the

amount of our tariff bill, as shown, is

almost insignificant to the employment of many

who have been without work, and greatly relieve

our anxiety regarding their welfare as winter

is approaching, and the situation looked very

It is our intention to maintain progress

prices and we guarantee that the public will not be exploited. Domestic competition will be sufficient to regulate prices, and our policy will be to only make adjustments from time to time to compensate for changes in costs of raw material, supplies and labour.

Increased production will assist in reducing costs, and this will react favourably on all consumers who use our products.

The increased earnings of our employees will naturally increase their spending power and reflect favourably on all other business concerns."

prices and we guarantee that the public will not be
artificial to regulate prices, and our policy
will be to only make adjustments from time to
time to compensate for changes in costs of raw
material, supplies and labour.
Increased production will result in
reducing costs, and this will react favourably
on all consumers who use our products.
The increased earnings of our employees will
naturally increase their spending power and
reflect favourably on all other business
concerns."

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Your intention was that if the tariff increases were satisfactory that this should go out as sort of an obligation or sort of a promise to the public of what would be done with them?

5 A. It was a promise that we had to make to the then Prime Minister.

Q. Well, I will put it that way; that is what you promised the government if you would get the tariff increases that you thought you should have?

A. Yes.

10 Q. Yes; now, do you think it has been a fulfillment of that promise to have reduced wages over what they were in 1930?

A. I can tell you, sir, that the public was protected as far as prices were concerned because the Prime Minister --

15 THE COMMISSIONER: Mr. McRuer is talking about wages.

BY MR. McRUER: Q. Let us go at it one step at a time. I say do you consider that it was a fulfillment of the promise you made to the government, when you reduced wages over what they were in 1930?

20 A. Of course, you would have to take into consideration the cost of living also in these times.

25 Q. Well, I don't know that I will go altogether that far with you, but I will take into consideration the fact that your net income was at its high point in 1932 over a period of years while your wages were at the low point?

30 MR. KELLOCK: I think to be fair to the witness you ought to ask him whether he got consideration for that promise because he only got an increase of 2 1/2%.

Your intention was that if the tariff increases we
 satisfactory that this should go out as sort of an
 obligation or sort of a promise to the public of what
 would be done with them.
 A. It was a promise
 that we had to make to the then Prime Minister.

Q. Well, I will put it that way; that is what
 you promised the government if you would get the
 tariff increases that you thought you should have?
 A. Yes.

Q. Yes; now, do you think it has been a fulfillment
 of that promise to have reduced wages over what they
 were in 1930?
 A. I can tell you, sir,
 that the public was protected as far as prices were
 concerned because the Prime Minister --

THE COMMISSIONER: Mr. McNair is talking about
 wages.

BY MR. MCNEIR: Q. Let us go at it one step at a
 time. I say do you consider that it was a fulfillment
 of the promise you made to the government, when
 you reduced wages over what they were in 1930?

A. Of course, you would have to take into consideration
 the cost of living also in these times.

Q. Well, I don't know that I will go altogether
 that far with you, but I will take into consideration
 the fact that your net income was at its high point
 in 1930 over a period of years while your wages were
 at the low point?

MR. KIRKWOOD: I think to be fair to the witness

that promise because he only got an increase of 2 1/2%.

BY MR. McRUER: Q. Are you suggesting you did not get enough increase in the tariff?

MR. KELLOCK: Yes --

MR. McRUER: I am asking Mr. Burns.

5 A. Yes, sir, the British preference was apparently only increased 2½%.

Q. Are you now contending -- A. That is where our competition came from.

10 Q. Are you now contending -- A. No, sir.

Q. Just a moment, are you now contending you did not get a sufficient increase in the tariff in 1930?

A. Yes, sir, on knitted goods, 568.

15 Q. Then, you think you should have -- notwithstanding the record that you have had with this company over a period of years, you felt you should still have more protection? A. Yes, sir, I can see the time coming very shortly if we don't get added protection that the imports will swamp us in this market.

20 Q. I know, we have heard that; I spent about a week reading that into the record at Montreal from the textile industry back as far as 1879, and almost annually that was the battle cry they had, but I am saying now your contention is that the tariff increases in 1930 were not sufficient? A. I specified knitted goods.

25 Q. Not sufficient, and that is the reason you had to cut wages? A. No, I didn't say that.

30 MR. KELLOCK: He didn't say that; he has not admitted he cut wages. He says he doesn't understand your figures yet.

BY MR. MORUM: Q. Are you suggesting you did

get enough increase in the tariff?

MR. KILGORE: Yes --

MR. MORUM: I am asking Mr. Kilgore.

A. Yes, sir, the British preference was apparently
only increased 25%.

Q. Are you now contending --
our competition came from.

A. No, sir. -- Are you now contending --

Q. Just a moment, are you now contending you did
not get a sufficient increase in the tariff in 1930?
A. Yes, sir, on limited goods, 25%.

Q. Then, you think you should have -- notwithstanding
the record that you have had with this company
over a period of years, you felt you should still have
more protection?
A. Yes, sir, I can see the

reason why you would want to have more protection
than that the imports will swamp us in this market.

Q. I know, we have heard that; I spent about a
week reading that into the record at Montreal from
the textile industry back as far as 1925, and almost
annually that was the battle cry they had, but I am
saying now your contention is that the tariff increases
in 1930 were not sufficient?

A. I specified
cotton goods.

Q. Not sufficient, and that is the reason you had
to cut wages?
A. No, I didn't say that.

MR. KILGORE: He didn't say that; please not
submit that out wages. He said he doesn't understand
your figures yet.

THE COMMISSIONER: Isn't the question really this, does the witness consider he is not bound by that letter because the consideration was not forthcoming?

BY MR. McRUER: Q. Is that the position you take?

5 A. The consideration was not forthcoming for a very good reason, my lord, and that was on account of the Imperial Conference coming on at the time it was being considered and they did not feel any changes should be made before the matter was sent before the Tariff Board.

10 Q. Well, take it this way then; did you consider you were not bound by this letter? A. I didn't consider it at all. In fact, I had no recollection of it until I read it.

15 Q. Now, the textile men met in a large group at Ottawa at this time, and you were down there? Ottawa was full of them, wasn't it? A. I don't remember just how many there were.

20 Q. Well, there were -- I understood they nearly all went down about that time? A. I remember one time quite some years ago --

Q. I am dealing with this time, please?

A. There were 105 went down.

25 Q. I am dealing with this time. At any rate, you say that the Prime Minister extracted this promise from the textile men? A. Yes, sir.

30 Q. At that time, and wasn't the promise he extracted ~~was~~ a promise in consideration for the increases he would give them, and not in consideration for the increases that they would ask; wasn't that the situation?

A. I think it was when the rates were definitely

THE COMMISSIONER: I don't think the question really this
does the witness consider he is not bound by that
letter because the consideration was not forthcoming
By Mr. McNEIL: Q. Is that the position you take?
A. The consideration was not forthcoming for a very
good reason, my lord, and that was on account of the
Imperial Conference coming on at the time it was being
considered and they did not feel any charges should
be made before the matter was sent before the Tariff Board.
Q. Well, take it this way then; did you consider
you were not bound by this letter?
A. I didn't
consider it at all. In fact, I had no recollection
of it until I read it.
Q. Now, the textile men met in a large group at
Ottawa at this time, and you were down there?
A. I don't remember that.
Q. Well, there were -- I understood they nearly
all went down about that time?
A. I remember
one time quite some years ago --
Q. I am dealing with this time, please?
A. There were 100 went down.
Q. I am dealing with this time. At any rate, you
say that the Prime Minister expected this promise
from the textile men?
A. Yes, sir.
Q. At that time, and wasn't the promise he expected
next a promise in consideration for the increase he
would give them, and not in consideration for the
increase that they would ask; wasn't that the situation?
A. I think it was when the rates were definitely

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decided on.

Q. When he extracted this promise --

THE COMMISSIONER: Doesn't the letter refer to what is being done? Take the beginning of it.

5 BY MR. McRUER: Q. The letter says "Enclosed herewith you will find memorandum briefly covering our views on what will take place if the Government follow our recommendation regarding changes in the tariff. You have our authority to rewrite this for publicity, 10 providing, of course, that the regulations as brought down by the Government are satisfactory."

Now, was this re-written for publicity? A. Not that I know of, because the rates were not satisfactory on knit goods.

15 Q. What I want to get at is this, surely the Prime Minister was not extracting a promise from the textile men that you will do this in consideration for the demands for revision of the tariff; it must have been in consideration of the revision he would give you?

20 A. His hands were tied on account of the French Treaty if I remember correctly.

Q. Well, did the textile men regard this as a release from any promise they had made to Mr. Bennett?

25 A. No.

Q. Did you regard it yourself as a release from any promise you had made to Mr. Bennett? A. No, sir.

Q. Then, you felt yourself bound by this promise? A. Not to exploit the public.

30 Q. Well, there are two angles to it, one is the public and the other the workmen? A. Does it

decided on.

Q. When he extracted this promise --

THE COMMISSIONER: Didn't the latter refer to

what is being done? Take the following: "It

BY MR. HENNING: Q. The latter says "enclosed herewith

you will find memorandum briefly covering our view

on what will take place if the Government follow

our recommendation regarding changes in the tariff

You have our authority to revert to this for publication

provided, of course, that the regulations as now

drawn by the Government are satisfactory."

Now, was this re-written for publication? A. Not

I know of, because the rates were not satisfactory

until goods.

Q. What I want to get at is this, namely the Prime

Minister was not extracting a promise from the textile

men that you will do this in consideration for the

demand for revision of the tariff; it must have been

in consideration of the revision he would give you?

A. His hands were tied on account of the French Treaty

if I remember correctly.

Q. Well, did the textile men regard this as a relief

from any promise they had made to Mr. Bennett?

A. No.

Q. Did you regard it yourself as a release from any

promise you had made to Mr. Bennett? A. No, sir.

Q. Then, you felt yourself bound by this promise?

Q. Not to exploit the public.

Q. Well, there are two angles to it, one is the

A. Does the public and the other the Government?

mention workmen in that?

Q. Then, may I take it you felt you were free to exploit the workmen? A. No.

MR. KELLOCK: That is not fair.

5 BY MR. MCURER: Q. May I take it you felt you were free to cut wages notwithstanding the increases in tariff? A. That isn't correct at all.

Q. Well, you go on to say that "domestic competition will be sufficient to regulate prices"? A. Yes.

10 Q. Now, the full fashioned hosiery had received a very marked increase in their tariff protection but you were not satisfied to let domestic competition regulate the prices? A. There is a great similarity between one manufacturer's full fashioned and
15 another one, they are almost identical, that is, if they are made on the same guage machine and the same quality silk. There is not very much difference except in the grading of them.

20 Q. Yes, but your complaint was that other manufacturers were selling at costs that you would have to come down to meet? A. Yes.

Q. And you were not satisfied for that condition to prevail? A. It is still prevailing to-day.

25 Q. You tried to regulate prices by agreements through Mr. Hallam? A. Yes, so that we could at least get cost out of our hose.

30 Q. You were not satisfied to let domestic competition regulate the prices; you were regulating them by Mr. Hallam, and that is not what you are saying in that letter? A. Domestic competition was

mention workmen in that?

Q. Then, may I take it you felt you were free

exploit the workmen?

A. No.

Mr. KENNEDY: That is not fair.

BY MR. KENNEDY: I may I take it you felt you were

free to cut wages notwithstanding the increase in

tariffs?

A. That isn't correct at all.

Q. Well, you go on to say that "domestic competition

will be sufficient to regulate prices?"

A. Yes.

Q. Now, the full fashioned industry had received

a very marked increase in their tariff protection but

you were not satisfied to let domestic competition

regulate the prices?

A. There is a great similarity

between our manufacturer's full fashioned and

another one, they are almost identical, that is, if

they are made on the same gauge machine and the same

quality silk. There is not very much difference

between the two.

Q. Now, the full fashioned and the other

manufacturers were selling at costs that you would

to come down to meet?

A. Yes.

Q. And you were not satisfied for that condition

to prevail?

A. It is still prevailing to-day.

Q. You tried to regulate prices by agreements

through Mr. Hailam?

A. Yes, so that we

could at least get cost out of our hose.

Q. You were not satisfied to let domestic

competition regulate the prices; you were regulating

them by Mr. Hailam, and that is not what you are saying

is that correct?

being controlled to quite an extent by American firms who have factories in this country, and the price of full fashioned hosiery in Canada is just as cheap as it is in the United States.

5 Q. I am not talking about the price at all; I am talking about the position that you were taking at this time. Now, as far as the full fashioned hosiery is concerned were you satisfied with the tariff protection you got there with the 27½% and 60 cents specific; did that satisfy you? A. That is on full fashioned hosiery?

10 Q. Yes. A. The present rate of duty on full fashioned hosiery is satisfactory.

15 Q. That is satisfactory; then, you got a satisfactory rate of duty on full fashioned hosiery and I am saying why didn't you let domestic competition regulate the prices? A. Well, if I followed that I will have to go and apologize to Mr. Bennett when he returns.

20 Q. Well, I would suggest you take this agreement along with you and show it to him too when you are making your confession to Mr. Bennett. Did you ever tell Mr. Bennett afterwards you had signed this agreement and you were working on that plan?

25 A. No, but Mr. Bennett told me he had checked the industry and was pleased to report to us that we were living up to our part of the agreement.

30 Q. Did he know about this agreement, an agreement that had your signature, when he was reporting to you that you had lived up to your agreement? A. If

being controlled to quite an extent by American firms who have factories in this country, and the price of full fashioned hosiery in Canada is just as cheap as it is in the United States.

Q. I am not talking about the price at all; I am

talking about the position that you were taking at

this time. Now, as far as the full fashioned hosiery

is concerned were you satisfied with the tariff pro-

tection you got there with the 45% and 60 cents

specific; did that satisfy you?

A. That is on

Q. Yes. A. The present rate of duty on

full fashioned hosiery is satisfactory.

Q. That is satisfactory; then, you got a

satisfactory rate of duty on full fashioned hosiery

and I am saying why didn't you let domestic competition

regulate the market? A. Well, if I followed

that I will have to go and apologize to Mr. Bennett

when he returns.

Q. Well, I would suggest you take this agreement

along with you and show it to him too when you are

making your confession to Mr. Bennett. Did you ever

tell Mr. Bennett afterwards you had signed this

agreement and you were working on that plan?

A. No, but Mr. Bennett told me he had checked the

industry and was pleased to report to us that we

were living up to our part of the agreement.

Q. Did he know about this agreement, an agreement

that had your signature, when he was reporting to you

that you had lived up to your agreement?

A. If

your agreement was to make merchandise and sell it without profit I think there would be no complaint from anybody.

Q. No, no, you said Mr. Bennett had reported to you you had all done well and been good boys to live up to your agreement and I am saying when he was telling you that did you tell him you had an agreement of the character you had with Mr. Hallam? A. No, he

was interested in the price that was going to a consumer.

Q. Well, that is an important element of it, whether domestic competition was regulated. Well, I think that is all for now, Mr. Burns; it is now after five.

THE COMMISSIONER: Are you not through with Mr. Burns?

MR. McRUER: No.

THE COMMISSIONER: About to-morrow morning, what time do you feel like beginning?

MR. McRUER: Ten o'clock.

-- The Commission adjourned at 5.15 p.m., Thursday, October 8th, 1936 to resume at 10 a.m., Friday, October 9th, 1936.

... agreement was to make merchandise and sell it
without profit I think there would be no complaint in

... No, no, you said Mr. Bennett had reported to

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to your agreement and I'm saying when he was telling
you that did you tell him you had an agreement of the

character you had with Mr. Hallam?

A. No, he

was interested in the price that was going to a commission

... Well, that is an important element of it, and

... Well, I think

that is all for now, Mr. Bennett; it is now after five

... Are you not through with Mr. Bennett?

Mr. Bennett: No.

... do you feel like beginning?

Mr. Bennett: Ten o'clock.

-- The Commission adjourned at 6.15 p.m., Thursday,

October 24, 1936 to resume at 10 a.m., Friday,

October 25, 1936.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

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HON. MR. JUSTICE W.F.A. THURGEON,

Commissioner.

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A.S. Whiteley, Secretary.

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SIXTY-SIXTH DAY

(October 9, 1936)

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Robert Brydie,
Official Reporter.

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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W.F.A. TURGEON,

Commissioner.

A.S. Whiteley, Secretary.

A p p e a r a n c e s :J.C. McRuer, K.C. and)
E. Beauregard, K.C.) Commission Counsel.J.P. Lanctot, K.C.,)
and) For Special Committee
R.L. Kellock, K.C.,) on Primary Textile
Industries.C.G. Heward, K.C.)
Aime Geoffrion, K.C.) For Dominion Textile
and) Company.
C.T. Ballantyne,)

S.G. Dixon, K.C. For Courtaulds, Limited.

L.A. Forsyth, K.C. For Canadian Celanese Ltd.
and Canadian Silk Pro-
ducts Limited.

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ROYAL CANADIAN MOUNTED POLICE

HON. MR. JUSTICE W. R. A. TROTT

W. R. A. TROTT

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Commissioner General

For Special Committee
on Primary Justice

For Dominion Justice
Company

For Government, Limited

For Canadian Colonies
and Canadian Silk Pro-
ducts Limited

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Dunnville, Ontario,
October 9, 1936.

-- The Commission resumed at 10 a.m.

JOHN A. BURNS (Examination continued)

BY MR. McRUER:

Q. Mr. Burns, there are a few matters in connection with this correspondence that I want to take up with you. I show you a telegram that appears in the correspondence from Mr. Hallam to you, dated October 17, 1933.

THE COMMISSIONER: Are you putting it in?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: Telegram from whom?

MR. McRUER: Mr. Hallam to Mr. Burns.

THE COMMISSIONER: What date?

MR. McRUER: October 17, 1933.

THE COMMISSIONER: It will be number 675.

EXHIBIT NO. 675: Telegram dated October 18, 1933 from Douglas Hallam to J. A. Burns.

MR. McRUER: "Cannot get hunder percent agreement full fashioned stop difficulty not price but differential for unbranded and branded six thread stop as hundred percent agreement not reached no agreement now in effect stop urge extreme caution so no action taken which would prevent agreement being arrived at later date."

Now, do you remember what was taking place at this time?

A. I would judge from the telegram that Major Hallam was trying to get the industry --

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Donnafile, Ontario
October 9, 1935.

-- The Commission resumed at 10 a.m.

BY MR. McHUGH:

Q. Mr. Burns, there are a few matters in connection with this correspondence that I want to take up with you. I show you a telegram that appears in the correspondence from Mr. William to you, dated October 14, 1935.

THE COMMISSIONER: Are you putting it in?

MR. McHUGH: Yes, my lord.

MR. McHUGH: Mr. William to Mr. Burns.

THE COMMISSIONER: What date?

MR. McHUGH: October 14, 1935.

THE COMMISSIONER: It will be number 875.

1935 from Douglas Hallie
to J. A. Burns.

MR. McHUGH: "Cannot get bumper percent agreement till fashioned stop difficulty not price but different for unburned and branded six three stop as bumper percent agreement not reached no agreement now in effect stop price extreme caution no no action taken which would prevent agreement being arrived at later date."

Now, do you remember what was taking place at this time? A. I would judge from the testimony that Major William was trying to get the industry --

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Q. I don't want what you judge from the telegram, I want what your recollection was of what was going on at that time? A. To be perfectly candid I don't remember the details in connection with it.

Q. Have you no recollection at all of what it was that was being negotiated? A. It is the differential for unbranded; my recollection in connection with that was that some manufacturers had advised Major Hallam --

BY THE COMMISSIONER: Q. Had what, advised you? A. No, had advised Major Hallam that they would not -- that in their opinion there should be the same price on unbranded as on branded. That is my recollection, sir, in connection with that.

BY MR. McRUER: Q. Yes, but I wanted it on a little broader scale than that. Apparently from the telegram Mr. Hallam was trying to get them on on a hundred percent agreement and one of the things was price? A. Not according to this.

Q. Oh, it said "difficulty not price"? A. Yes.

Q. "But differential"? A. Yes.

Q. So that the question of price was alright? A. Yes.

Q. Now, have you got any recollection of it at all; you must surely, if you are in the manufacturing business and manufacturing hosiery, and you are signing an agreement as to the prices you are going to sell at, an agreement sent to you from Toronto? A. Yes.

Q. Surely you should remember something about it and remember what was going on and what you were trying

to accomplish? signed it for A. After three years it is very difficult to remember details of that kind.

Q. Well, one was negotiated about a year ago and there were negotiations carried on after that; now, can you not remember anything about it at all?

A. No, it is in connection with some manufacturers not being in accord regarding the differential on branded and unbranded the way I read it.

Q. Well, I want not so much your interpretation of the telegram; we can do that. I want to get your recollection and your knowledge of what was going on as one of these manufacturers? A. Well, I have no recollection at the present time.

Q. No recollection? A. No, there happens to be a great many other things in connection with business that I cannot remember after three years.

Q. Isn't it an important thing to you to know at what price you are going to sell your products?

A. It is not an important thing to-day as to what the price was three years ago.

Q. I mean what was going on in connection with the prices would be an important thing and something you would likely remember? A. No, I don't think I would remember it after three years.

Q. Do you not remember anything of what went on last year? A. Last year, I explained that to you yesterday, sir.

Q. You remember what you were trying to do last year in connection with signing these agreements?

A. I was not trying to do anything.

to accomplish?
A. After three years
it is very difficult to remember details of that
Q. Well, one was negotiated about a year ago and
there were negotiations carried on after that; now
can you not remember anything about it at all?
A. No, it is in connection with some manufacturers
not being in accord regarding the differential on
branded and unbranded the way I read it.
Q. Well, I want not so much your interpretation
of the telegram; we can do that. I want to get your
recollection and your knowledge of what was going
as one of these manufacturers?
A. Well, I
have no recollection at the present time.
Q. No recollection?
A. No, there happens
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at what price you are going to sell your product?
A. It is not an important thing to-day as to what
the price was three years ago.
Q. I mean what was going on in connection with
the prices would be an important thing and something
you would likely remember?
A. No, I don't
think I would remember it after three years.
Q. Do you not remember anything of what went
last year?
A. Last year, I explained to
to you yesterday, sir.
Q. You remember what you were trying to do last
year in connection with signing these agreements?
A. I was not trying to do anything.

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Q. You just signed it for fun? A. No,

I was not active in making the arrangements.

Q. But when you signed you signed for some purpose?

A. Yes, Major Hallam asked me if we would.

Q. You do everything Major Hallam asks you to do?

A. Not everything.

Q. What was your purpose in complying with his request in this instance?

A. Because we thought it would be a constructive thing for the trade.

Q. Now, I show you a letter dated December 31, 1935, from Mr. Hallam to you.

THE COMMISSIONER: That goes in too, does it?

MR. McRUER: Yes, please.

THE COMMISSIONER: A letter, what is the date?

MR. McRUER: December 31st, 1935.

THE COMMISSIONER: Number 676.

EXHIBIT NO. 676: Letter from Douglas Hallam to J.A. Burns, dated December 31, 1935.

MR. McRUER: This reads as follows:

"Dear Sir: Full Fashioned Hosiery

I regret to inform you that the Committee which met in Montreal over the week-end were unable to arrive at a solution of the difficulties which you all know about. Further attempts will be made to overcome these difficulties and you will be advised."

Do you know what difficulties the Committee that met in Montreal were wrestling with?

A. My recollection

Q. You just signed it for him?

was not active in making the arrangements.

Q. But when you signed you signed for some

purpose?

A. Yes, for Mr. Hallam's

no it was not.

Q. You do everything Mr. Hallam asks you to

do? A. Not everything.

Q. What was your purpose in coming with him

to the Commission?

thought it would be a constructive thing for the

Q. Now, I show you a letter dated December 31,

1935, from Mr. Hallam to you.

THE COMMISSIONER: That goes in too, does it?

Yes, that is the letter.

THE COMMISSIONER: A letter, what is the date?

MR. MORRIS: December 31st, 1935.

THE COMMISSIONER: Number 670.

EXHIBIT NO. 670:

Letter from Douglas
Hallam to J.A. Morris,
dated December 31, 1935

MR. MORRIS: This reads as follows:

"Dear Sir: Bill Thompson's History

I regret to inform you that the Committee

which met in Montreal over the week-end was

unable to arrive at a solution of the difficulties

which you all know about. Further attempts will

be made to overcome these difficulties and you

will be advised."

Do you know what difficulties the Committee that met in

Montreal was wrestling with?

A. A collection

a that time there were quite a number of manufacturers that were selling at very low prices, that were much below cost, and I think that that is what this letter refers to.

5 . At any rate, whether they were below cost or not the difficulty that they are wrestling with was the question of manufacturers selling below prices that you thought they ought to be selling at? A. That Major Hallam thought.

10 Q. That Major Hallam thought; well, he is the custodian of the prices, we will leave it at that. Then, I show you a letter dated November 6th, 1934, from Douglas Hallam to yourself.

15 THE COMMISSIONER: November 6th, 1934?

 MR. McRUER: Yes, my lord.

 THE COMMISSIONER: That will be No. 677.

20 EXHIBIT 677: Letter dated November 6th, 1934, from Douglas Hallam to J.A. Burns.

 MR. McRUER: It is re Full-Fashioned Hosiery.

 "With reference to the memo. of November 6, the following interpretations as to different paragraphs were decided on:

25 (1) Paragraph 14 and 15: F.O.B. Mill means strictly F.O.B. Mill premises. Deliveries from stocks in East are at F.O.B. Customer price.

30 (2) Paragraph 15: Notes regarding minimum quantities shipped F.O.B. Customer apply to a total quantity shipped of first class hosiery all groups.

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a that time there were quite a number of manufacturers
that were selling at very low prices, and I think that is what this letter
refers to.

At any rate, whether they were below cost or not
the difficulty that they are wrestling with was the
question of manufacturers selling below prices to
you thought they ought to be selling at
major Helium thought.

That is for Helium thought; well, he is the owner
of the prices, we will leave it at that. Then, I
show you a letter dated November 28th, 1934, from Douglas
Helium to yourself.

MR. HELIUM: Yes, my lord.
THE COURT: That will be No. 877.
EXHIBIT 477 Letter from Douglas Helium to
J.A. Helium.

MR. HELIUM: It is no full-fashioned Hosiery.
"With reference to the memo. of November
8, the following interpretations as to different
paragraphs were decided on:

- (1) Paragraph 14 and 15: F.O.B. Mill means
amount in fact are at F.O.B. Customer price.
- (2) Paragraph 15: Notes regarding minimum

quantities shipped of first class Hosiery

(3) Paragraph 5: All consignments not due to financial difficulties are to be discontinued by Dec. 31, 1934, other consignment stocks are to be reported to secretary. No new consignment stocks to be opened.

(4) Paragraph 4: Advertising allowance is to be on the basis of the local newspaper lineage contract rates."

Now, what is the advertising allowance that is referred to in that?

A. The advertising allowance referred to there - my recollection is that a great many merchants throughout the country were - I don't know whether I should call it a racket or not, but that is what it was - to try and get the manufacturers to advertise merchandise in the papers for them, and it was considered in the trade that it was a case of pitting one manufacturer against the other until it got to be a great abuse, but the manufacturers thought it would be fair for the manufacturer of the goods to pay half of the cost of the advertising and the merchant pay the other half.

Q. Let us see what this was; some merchants had been getting manufacturers to advertise their goods and certain manufacturers got thought that was unfair competition with them, is that correct?

A. Well, it was unfair trade practice.

Q. Well, unfair trade practice, that is, that some manufacturers were doing more advertising than

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due to financial difficulties are to be discont-
ned by Dec. 31, 1934, other assignment notes
are to be reported to secretary. No new
assignment stocks to be opened.

to be on the basis of the local newspaper
finances contract rates.

now, what is the advertising allowance that is refer-
red to in that? A. The advertising allowance
referred to there - my recollection is that a great
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know whether I should call it a racket or not,
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facturers to advertise merchandise in the papers for
them, and it was considered in the trade that it
was a case of giving one manufacturer against the
other until it got to be a great abuse, but the
manufacturers thought it would be fair for the
manufacturer of the goods to pay half of the cost
of the advertising and the merchant pay the other half
.. Let us see what this was; some merchants

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goods and certain manufacturers got thought that was
unfair competition with them, is that correct?
A. Well, it was unfair trade practice.

A. Well, unfair trade practice, that is, that
some manufacturers were getting more advertising

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others so you got together and agreed on what advertising allowance you would make, is that correct?

A. It says in the letter there ---

5 Q. I want to know what you did. We can deal with the letter, Mr. Burns; I am in great difficulty in finding out that you know anything at all about your own business. We cannot believe that after what we heard yesterday. What was it you were doing?

10 A. Let us see, "Advertising allowance is to be on the basis of the local newspaper lineage contract rate." I don't know just what that lineage contract rates means.

15 Q. I don't care what is in the letter. The letter suggests something and I want to know what it is you were doing? A. I think that speaks pretty well for itself.

20 Q. I don't care whether it speaks for itself or not; I want to know what is it you were agreeing on.

You have told me the manufacturers were agreeing on something in connection with their advertising that was going to cut down some competition in advertising.

25 A. No, it is the work of eliminating an unfair trade practice.

30 Q. You call it an unfair trade practice, but, as I understand it, the unfair trade practice was that some manufacturer was advertising more than others; is that correct? A. No, I don't think -- well, that is always correct, there are some manufacturers

others so you get together and agreed on what was
verifying allowance you would make, is that correct
A. It says in the letter there ---
I want to know what you did. We can deal
with the letter, Mr. Burns; I am in great difficulty
in finding out that you know anything at all about
your own business. We cannot believe that after
that we heard yesterday. What was it you were told
A. Let us see, "Advertising allowance is to be on
the basis of the local newspaper's financial condition."
I don't know just what that means, even
I don't care what is in the letter. The last
suggests something and I want to know what it is you
were doing? I think that speaks pretty well
for itself.
I want to know what is it you were working on.
You have told me the same things were agreeing on
something in connection with their advertising that
was going to cut down some competition in advertising.
A. No, it is the work of eliminating an unfair trade
practice.
You call it an unfair trade practice, but, as
I understand it, the unfair trade practice was that
some manufacturers were advertising more than others;
is that correct? A. No, I don't think -- well,
that is always correct, there are some manufacturers

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that always advertise more than others.

5 Q. Well, that may be true but what you were trying to get at here was to cut that down and agree on what advertising you would do? A. I might be able to explain this to you. A merchant in a certain place would insist on the manufacturer doing the advertising for him. Well, that was setting up an unfair situation for that merchant's competitor in the same place who perhaps was not getting anything from the manufacturer that he was buying from for advertising.

10 Q. Why should you manufacturers get together and agree on that? Why shouldn't you compete in advertising, prices, and every way? A. We feel it is our duty to watch all unfair trade practices.

15 Q. And you are the people that determine that one manufacturer advertising more than another was an unfair trade practice? A. No, that isn't the point.

20 Q. What was it that was the unfair trade practice then? A. The unfair trade practice was that manufacturers were being held up after they sold the merchant the goods, being held up to pay for the advertising to sell them for the merchant.

25 Q. Well, held up, you were willing to do a certain amount of it? A. Yes.

30 Q. But you were agreeing on what measure you would do? A. Yes, we felt if the merchant paid half of it he would certainly put forth every effort to

that always advertise more than others.

Q. Well, that may be true but what you were trying

to get at here was to cut that down and agree on what

advertising you would do? A. I might be able

to explain this to you. A moment in a certain

place would insist on the manufacturer doing the

advertising for him. Well, that was setting up

an unfair situation for that merchant's competitor in

the same place who perhaps was not getting anything

the manufacturer that he was paying for for advertising

Q. Why should you manufacturers get together and

agree on that? Why shouldn't you compete in

advertising, prices, and every way? A. We feel

it is our duty to watch all unfair trade practices.

Q. And you are the people that determine that

one manufacturer advertising more than another was

an unfair trade practice? A. No, that isn't

the point.

Q. What was it that was the unfair trade practice

A. The unfair trade practice was that

manufacturers were being held up after they said the

merchant the goods, being held up to pay for the

advertising to sell them for the merchant.

Q. Well, held up, you were willing to do a certain

amount of it? A. Yes.

Q. But you were agreeing on what measure you would

A. Yes, we felt if the merchant paid half

of it he would certainly put forth every effort to

reap the benefit and try and sell as much merchandise as possible.

Q. I show you a copy of a letter dated the 18th of October, 1934 from you to Douglas Hallam.

THE COMMISSIONER: What is it again?

MR. McRUER: The 18th of October, my lord, 1934, from the witness to Major Hallam.

THE COMMISSIONER: 678.

EXHIBIT 678: Letter dated Oct. 18, 1934, from J.A. Burns to Major Hallam.

MR. McRUER: It reads as follows:

"I think that you should immediately ask manufacturers to send in a statement giving full details of any orders that they have accepted where delivery will run past December 31st, 1934, so that you Committee will know just what business has been booked running into 1935 season. Our Company has no business booked that will run into 1935."

Now, that is a letter that emanates from you?

A. Yes.

Q. Now, can you tell us what it was you were trying to do there? A. This is 1934; I don't know what the answer to that is on the spur of the moment.

Q. Well now--- A. The full details.

Q. What was the committee to begin with?

A. I don't know, sir.

Q. You have no idea of what committee it was you were talking about? A. No, I don't know anything about

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keep the benefit and try and sell as much merchandise
as possible.

I show you a copy of a letter dated the 18th
October, 1934 from you to Douglas Hallam.

MR. MEMORANDUM: The 18th of October, 1934, 1934,
from the witness to Major Hallam.

EXHIBIT 878: Letter dated Oct. 18, 1934,
from J.A. Burns to Major Hallam.

MR. MEMORANDUM: It reads as follows:

"I think that you should immediately

ask manufacturers to send in a statement giving
full details of any orders that they have

placed since January 1st, 1934, so that you Committee will know

just what business has been booked running
into 1935 season. Our Company has no business

booked that will run into 1935."

Now, that is a letter that emanates from you?

Now, can you tell us what it was you were try-

ing to do there? A. This is 1934; I don't know

what the answer to that is on the spur of the moment.

A. I don't know, sir.

What was the committee to begin with?

A. I don't know, sir.

You have no idea of what committee it was you were

talking about? A. No, I don't know anything about

the committee.

Q. Well, you were writing to Mr. Hallam? A. Yes, two years ago.

Q. Well, two years ago, you could remember very distinctly what happened in 1903 yesterday, many things. Now, let us see, this was a matter that affected the management of your business and you are writing to Mr. Hallam making suggestions about what the committee was to do? A. Excuse me, may I see the letter?

Q. And it was a committee that was going to get reports on orders that were booked in the trade?

A. I cannot recall that? A. Are you saying on your oath that you have no idea as to what it was you were writing to him about? A. I am quite aware, sir, that I am on my oath and I am telling the truth.

Q. You have no idea what committee it was?

A. No.

Q. Or what the committee was dealing with? A. No, sir.

Q. Why should you be asking a committee that surrounded Mr. Douglas Hallam in some way to get a report from the trade as to what orders they had booked running into 1935? Why should you be doing that?

A. Well, if it was last week I probably could recall it, or a short time ago, but two years, I cannot recall just what that has reference to.

Q. Well, I am asking you why, with the knowledge you have of your business, why should you be asking this Committee to get a report on orders that were booked into 1935?

Q. Well, you were writing to Mr. Haller? A. Y
two years ago.

Q. Well, two years ago, you could remember ver
distinctly what happened in 1903 yesterday, many t

Now, let us see, this was a matter that affected t

management of your business and you are writing to

Mr. Haller making suggestions about what the commi

was to do? A. Excuse me, may I see the letter

Q. And it was a committee that was going to get

reports on orders that were booked in the trade?

A. I cannot recall that? A. are you saying on y

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writing to him about? A. I am quite aware, sir,

that I am on my oath and I am telling the truth.

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A. No.

Q. Or what the committee was dealing with? A. No.

Q. Why should you be asking a committee that su

rounded Mr. Douglas Haller in some way to get a repo

from the trade as to what orders they had booked

running into 1903? Why should you be asking the

A. Well, if it was last week I probably could recall

or a short time ago, but two years, I cannot recall

just what that was reference to.

Q. Well, I am asking you why, with the knowledge

you have of your business, why should you be asking

this Committee to get a report on orders that were

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A. I might reply to that, sir, that I don't put the effort into association matters that I put into our own business.

5 Q. Well, you are putting enough effort into it to make a suggestion to this committee to do something that you thought they had not been doing; you were making suggestions for movement, or action? A. My suggestion was to Major Hallam, if I read that correctly.

10 Q. It was to Major Hallam to have the Committee do it or have him get reports so the Committee could take some action about it? A. I don't recall what it was about.

15 Q. Was it not so you could govern your production in some way for the time that was coming on?

A. No, it might have been ~~th~~ effective in knowing whether other manufacturers were selling into the next year.

20 Q. Why should you know that? A. Whether they had opened their price lists.

Q. Opened their price lists? A. Yes.

25 Q. What do you mean by that? A. It is a customary thing to have certain seasons when you start selling your next season's merchandise.

Q. Yes? A. And it is always considered a good thing from the merchants' point of view if most manufacturers will start that operation at the same time, or a similar time.

30 Q. What has that got to do with the committee finding out what orders were booked into the next year?

A. I don't know what that would have reference to.

I might reply to that, sir, that I don't put the
effort into association matters that I put into our
own business.

Q. Well, you are putting enough effort into it
to make a suggestion to this committee to do something
that you thought they had not been doing; you were
making suggestions for movement, or action? A. My
suggestion was to Major Holman, it I read that correct
Q. It was to Major Holman to have the Committee do
it or have him get reports so the Committee could take
some action about it? A. I don't recall what
it was about.

Q. Was it not so you could govern your production
in some way for the time that was coming on?
A. No, it might have been as effective in knowing what
other manufacturers were selling into the next year.
Q. Why should you know that? A. Whether they

had opened their price lists.
Q. Opened their price lists? A. Yes.
Q. What do you mean by that? A. It is a custom

to have a list of prices for the next year.
Q. Yes? A. And it is always considered a good
thing from the manufacturer's point of view if most manu-
facturers will start that operation at the same time,
similar time.

Q. What has that got to do with the committee's
out what orders were looked into the next year?
A. I don't know what that would have reference to.

Q. You were just off on something that now you cannot tell us anything about. You have no idea in running your own business as to why you should be doing it? A. I don't know what that refers to.

5 Q. Well, I show you another letter dated June 4th, 1934, from yourself to Mr. Hallam.

THE COMMISSIONER: 679:

EXHIBIT 679: Letter dated June 4th, 1934,
from J.A. Burns, to Douglas Hallam.

10 MR. McRUER: This reads as follows:

"Immediately on receipt of your telegram this afternoon, I telephoned to Mr. Mitchell at Kincardine, and he states that his lack of interest in attending has been caused by positive information that he has had in regard to certain manufacturers not living up to our old arrangement. He states that one of the rackets worked in the past has been to invoice a shipment as containing 100 dozen and the manufacturer actually ship in excess of this quantity.

20 However, after discussing the matter and pointing out that this is a very important meeting, he has definitely decided to personally be present at the meeting on Wednesday, at 12.30 D.S.T."

25 A. What date is that?

30 Q. That is dated June 4th, 1934. Now, Mr. Mitchell was the gentleman in Kincardine manufacturing full-

Q. You were just off on something that now you
cannot tell us anything about. You have no idea
in running your own business as to why you should be
going to? A. I don't know what that refers to.
Q. Well, I show you another letter dated June 4th,
1934, from yourself to Mr. Hallam.

EXHIBIT 679: Letter dated June 4th, 1934,
from J.A. Burns, to Douglas Hallam.

MR. McHUGH: This reads as follows:
"Immediately on receipt of your telegram
this afternoon, I telephoned to Mr. Mitchell
at Kincardine, and he also told me that his lack of
interest in attending has been caused by
positive information that he was had in regard
to certain manufacturers not living up to
our old arrangement. He states that one of the
tickets worked in the past has been to
invoice a shipment as containing 100 dozen
and the manufacturer actually ship in excess
of this quantity.

However, after discussing the matter
and pointing out that this is a very important
meeting, he has definitely decided to personally
be present at the meeting on Wednesday, at
10.30 P.M."

A. What date is that?
Q. That is dated June 4th, 1934. Now, Mr. Mitchell
was the gentleman in Kincardine manufacturing fall-

fashioned hosiery? A. Yes.

Q. And when Mr. Mitchell was not going to attend the meeting you were the man that Mr. Hallam apparently got in touch with to get after Mr. Mitchell to bring him there? A. Yes.

Q. Now, if you were not an active man in connection with this why should Mr. Hallam go to a man in Dunnville to get in touch with a man in Kincardine to bring him down from Kincardine, two hundred and fifty miles from here? A. Major Hallam knew Mr. Mitchell was a personal friend of mine and that is the reason he asked me to telephone him.

Q. Well then, what agreement was it that Mr. Mitchell was complaining about that had not been lived up to?

A. It is the agreement that we had made with Major Hallam.

Q. That is the hosiery agreement? A. Yes.

Q. And Mr. Mitchell's complaint was that some members were getting around it by putting in extra amounts? A. Yes.

Q. Sort of a bonus? A. Yes.

Q. Did you discuss that with Mr. Mitchell? A. I discussed it with him over the telephone.

Q. Yes? A. If I remember correctly I told him that regardless of that Major Hallam was very anxious to have him attend the meeting.

Q. Did Major Hallam tell you why he was anxious to have him attend the meeting? A. No, sir, there

fashioned hostility? A. Yes.

Q. And when Mr. Mitchell was not going to attend the

meeting you were the man that Mr. Hallam apparently

got in touch with to get after Mr. Mitchell to bring

Q. Now, if you were not an active man in connection

with this why should Mr. Hallam go to a man in Penn-

sville to get in touch with a man in accordance to bring

him down from Kinsardine, two hundred and fifty miles

from here? A. Major Hallam knew Mr. Mitchell

was a personal friend of mine and that is the reason

he asked me to telephone him.

Q. Well then, what agreement was it that Mr. Mitchell

was supposed to make with the Government?

A. It is the agreement that we had once with Major

Hallam.

Q. And Mr. Mitchell's complaint was that some

papers were getting around it by putting in extra

amounts? A. Yes.

Q. Sort of a bonus? A. Yes.

Q. Did you discuss that with Mr. Mitchell? A. I

discussed it with him over the telephone.

Q. Yes? A. If I remember correctly I told him

that regardless of that Major Hallam was very anxious

to have him attend the meeting.

Q. Did Major Hallam tell you that he was anxious

to have him attend the meeting? A. No, sir, there

was a meeting called, I presume.

Q. What for? A. In 1934, I presume to discuss various matters pertaining to their industries.

5 Q. Well, various matters pertaining to the industry, that just sounds like a chapter out of the Minute book. I am asking you what it was that you were meaning to discuss? A. Well, I cannot tell you in detail, it is two years ago.

10 Q. I am not asking you in detail, I am asking you to give me your best recollection of what it was you were discussing? A. My recollection would be, judging from that letter, that that situation that Mr. Mitchell mentioned would be one thing, that if certain
15 manufacturers were shipping 105 dozen and just charging for 100 dozen it would be an unfair trade practice.

Q. Now, when there were complaints of that sort how were they dealt with, how did you get the situation
20 corrected? A. Well, if the mill was present at a meeting I think that my recollection would be that Major Hallam would ask the representative of that mill if the information was correct.

25 THE COMMISSIONER: Well now, I am taking it all this is based on the existence of one of the agreements preferred to here as Exhibits 564, 565, 566 and 567 and so on.

30 MR. McRUER: Yes, I think that is what is referred to.

THE COMMISSIONER: We heard evidence about this

was a meeting called, I presume.

Q. What for? A. In 1934, I presume to dis-

cuss various matters pertaining to their industries.

A. Well, various matters pertaining to the

industry, that just sounds like a chapter out of the

White Book. I am asking you what it was that you

meaning to discuss? A. Well, I cannot tell you in

detail, it is two years ago.

Q. I am not asking you in detail, I am asking you

to give me your best recollection of what it was you

were discussing? A. My recollection would be,

judging from that letter, that that situation was Mr.

Mitchell mentioned would be one thing, that if certain

manufacturers were shipping 100 boxes and just charging

for 100 dozen it would be an unfair trade practice.

Q. And that was the complaint of that

box were they dealt with, how did you see the situation

corrected? A. Well, if the bill was present at

a meeting I think that my recollection would be that

major action would ask the representative of that firm

if the information was correct.

THE COMMISSIONER: Well now, I am asking if all

this is based on the existence of one of the agreements

referred to here as Exhibits 504, 505, 506 and 507

MR. McNEIL: Yes, I think that is what is referred

THE COMMISSIONER: He heard evidence about this

from Major Hallam, about some getting around their agreement not to sell below certain prices by sending some dozens extra. He mentioned something about the sales tax in connection with it. Do you remember?

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Isn't that the same question?

MR. McRUER: I have forgotten. No, I don't think the sales tax came into that. Some were assuming the sales tax and some were passing it on.

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THE COMMISSIONER: No, on the face of it it appears just as it does here, that is to say, that these people who were sending a few dozen pairs extra, or some pairs extra, were thereby evading the minimum price agreement.

MR. McRUER: Yes.

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THE COMMISSIONER: Major Hallam said the complaints were that they were doing this to beat the sales tax. Do you remember that?

MR. KELLOCK: It was the sales tax people that brought the matter up, my lord, I understand.

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THE COMMISSIONER: He didn't say who brought it up. I asked him that and he didn't know. He said there were rumours through the trade that certain manufacturers were doing this to beat the sales tax. Perhaps Mr. Burns would be able to tell us whether the sales tax ever came into it at all or not.

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MR. McRUER: Did the sales tax have anything to do with it?

THE COMMISSIONER: What does the letter say.

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MR. McRUER: It says -- you apparently got a telegram from Mr. Hallam; I have not found your telegram among your files. It says: "Immediately on receipt of

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Isn't that the same question?

MR. McURR: I have forgotten. No, I don't think

the sales tax came into that. Some were assuming

the sales tax and some were passing it on.

THE COMMISSIONER: No, on the face of it it appears

just as it does here, that is to say, that these people

who were sending a few dozen pairs extra, or some people

MR. McURR: Yes.

THE COMMISSIONER: Major Sullivan said the complaint

were that they were doing this to beat the sales tax

Do you remember that?

MR. KELLICK: It was the sales tax people that brought

the matter up, my lord, I understand.

THE COMMISSIONER: He didn't say who brought it up

I asked him that and he didn't know. He said there

were rumours through the trade that certain manufacturers

were doing this to beat the sales tax. Perhaps Mr.

would be able to tell us whether the sales tax ever

came into it at all or not.

MR. McURR: Did the sales tax have anything to

THE COMMISSIONER: What does the letter say.

MR. McURR: It says -- you apparently got a letter

from Mr. McWilliam; I have not found your letter

among your files. It says: "Immediately on receipt

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your telegram this afternoon, I telephoned to Mr. Mitchell at Kincardine, and he states that his lack of interest in attending has been caused by positive information that he has had in regard to certain manufacturers not living up to our old arrangement."

THE COMMISSIONER: He says not living up to the old agreement; he does not talk of the sales tax?

THE WITNESS: I don't think the sales tax would enter into it.

BY MR. McRUER: Q. Apparently when you phoned Mr. Mitchell his complaint to you was -- "I am not going to the meeting because certain manufacturers are not living up to the agreement"? A. I would judge that.

Q. And they were taking an unfair advantage, they were not living up to it; that was his complaint? A. I would think so.

Q. "He states that one of the rackets worked in the past has been to invoice a shipment as containing 100 dozen and the manufacturer actually ship in excess of this quantity". That seems to be quite simply there, the way Mr. Mitchell had put it to you. You dictated this letter, I take it, right after your telephone conversation with Mr. Mitchell? A. I presume so.

Q. It would be a truthful account of what he had said to you? A. Yes.

Q. Then, I show you a memorandum, a multigraphed memorandum dated May 10, 1933, which purports --

THE COMMISSIONER: Is that in?

MR. McRUER: No, my lord.

THE COMMISSIONER: May 10, 1933.

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your telegram this afternoon, I telephoned to Mr.
Mitchell at Kingsbridge, and he stated that his lack
interest in attending has been caused by positive
information that he has had in regard to certain
facturers not living up to our old arrangement.
THE COMMISSIONER: He says not living up to the
old agreement; he does not talk of the sales tax?
THE WITNESS: I don't think the sales tax would
enter into it.
BY MR. MONTGOMERY: Apparently when you phoned Mr.
Mitchell his complaint to you was -- "I am not going
to the meeting because certain manufacturers are not
living up to the agreement?" A. I would judge
that. And they were taking an unfair advantage, that
were not living up to it; that was his complaint?
A. I would think so.
Q. He states that one of the packets worked in
past has been to invoice a shipment as containing
boxes and the manufacturer actually ship in excess
this quantity". That seems to be quite simply the
the way Mr. Mitchell had put it to you. You distill
this letter, I take it, right after your telephone
conversation with Mr. Mitchell? A. I presume
Q. It would be a truthful account of what he had
said to you? A. Yes.
Q. Then, I show you a memorandum, a memorandum
memorandum dated May 10, 1933, which purports --
THE COMMISSIONER: Is that it?
MR. MONTGOMERY: No, my lord.

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MR. McRUER: Yes, purports to be minutes of the full fashioned hosiery section.

THE COMMISSIONER: Minutes of a meeting?

MR. McRUER: Yes, my lord,

(page 9160 follows)

MR. MORUM: Yes, purports to be minutes of the
full fashioned hostelry section.

THE COMMISSIONER: Minutes of a meeting?

MR. MORUM: Yes, of course.

(page also follows)

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held at the Royal York on May 12th, 1933.

THE COMMISSIONER: That will be Exhibit 680.

EXHIBIT 680: Minutes of Full-Fashioned Section Meeting held at Royal York Hotel, Toronto, May 10th, 1933.

5 MR. McRUER: Q. The names of the parties, I see you were there, J.A. Burns, Monarch Knitting Company and "The Secretary made a report on production and sales for the first three months of 1933.

10 "19 mills reporting:

"Production 305,805; Sales 275,873.

"The estimated stock on hand, 270,068 dozen.

"In the same three months of 1932, production 300,395; shipment 258,318,

15 estimated stock on hand 238,798."

and this is underlined:

"The Chairman pointed out the great necessity there was for budgeting production to sales.

20 "Sales of discontinued lines from March 1st to May 3rd, or a period of two months, amounted to 11,174 dozens. It was pointed out that this was under 5% of the sales."

Now, can you tell us what the idea was underlying this,

25 "budgeting production to sales?" A. Yes, I

think I can explain that to you. The object of that was so that it would immediately call attention to the manufacturers what the general situation was in the industry so that each manufacturer could check up 30 his own records and see if he was manufacturing large

held at the Royal York on May 12th, 1933.

THE SECRETARY: That will be Exhibit 580.

Meeting held at Royal York Hotel,
Toronto, May 10th, 1933.

MR. McNEIL: The names of the parties, I see

you were there, J.A. Burns, Monarch Knitting Company

and "The Secretary made a report on production and

sales for the first three months of 1933.

"The mills reported:

Production 800,000; sales 800,000.

"The estimated stock on hand, 370,000 dozen.

"In the same three months of 1932,

production 800,000; shipment 800,000.

estimated stock on hand 370,000."

and this is understood:

"The Chairman pointed out the fact that,

there was for suggesting production to sales.

"Sales of discontinued lines from March

1st to May 31st, or a period of two months, amount

to 11,174 dozens. It was pointed out that this

was under 5% of the sales."

Now, can you tell us what the idea was underlying this

"suggesting production to sales?"

think I can explain that to you. The object of this

was so that it would immediately call attention to

the manufacturers that the general situation was in

industry so that each manufacturer could check up

his own records and see if he was manufacturing longer

quantities more than what he could sell.

Q. What he could sell at a price? A. Without sacrificing.

5 Q. Without unduly depressing the price? A. Without throwing them on the market. You might say, losing money on them. It is quite common practice to budget production, you know. Any manufacturer who did not would soon find himself in a very serious position.

10 Q. Then I show you a letter dated February 2nd, 1933, from Mr. Hallam to yourself.

EXHIBIT 681: Letter dated Feb. 2nd, 1933,
from Mr. Douglas Hallam to Mr.
J.A. Burns.

15 Q. This reads as follows:

"There is a full fashioned hosiery meeting to be called in Montreal during the week of February 6th, providing every mill in Canada has a representative present who can talk business.

20 Canadian Silk Products will be represented by Mr. E.J. Thompson.

25 Please advise by wire or telephone that your mill will be represented."

Do you know what business it was that was going to be conducted with the full representation there?

A. I think that you have the wrong interpretation.

30 I think that was put in there on account of some mills sending a representative to various meetings that would

quantities more than what he could sell.

... what he could sell at a price?

secretly,

... without unduly depressing the price? A. With-

out throwing them on the market. You might say,

losing money on them. It is quite common practice

is usually profitable. The answer is...

who did not would soon find himself in a very serious

position.

... Then I show you a letter dated February 2nd,

1933, from Mr. ... in Toronto.

Letter dated Feb. 2nd, 1933,
from Mr. Douglas Wilson to Mr.
J.A. ...

... in Toronto.

"There is a full featured history

meeting to be called in Montreal during the week

of February 2nd, providing every mill in Canada

has a representative present who can talk

at length.

Canadian Milk Producers will be represented

by Mr. E.J. Thompson.

Please advise by wire or telephone that

your will be represented."

No you know what business it was that was going to

conducted with the full representation there?

... I think that you have the wrong interpretation.

I think that was put in there on account of some mis-

standing a representative to various meetings that

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say, "Well, I will have to consult my people before I can say whether we will do this that or the other thing," and at this meeting they were trying to have representatives of mills who could make a decision for their company.

Q. Now, what would be decided on that was such an important matter that it had to be a man that could decide. What was it you were to agree to at a meeting of the mills at which all were going to be present that required a man of that importance to be there? A. What date is that letter?

Q. February 2nd, 1933? A. I would not have the slightest idea what that meeting was called for.

Q. Can you conceive of why you should all be gathering together in Montreal with such important men present that they could pledge the mill to some course of conduct? A. I think - this would be only my thoughts, in connection with it, would be that at so many previous meetings there was probably some representative of the mill, who could not speak for the firm and whatever took place at the meeting was not carried out because the proper official of the mill was not there to commit their plant to whatever----

Q. You are putting it a little differently than what you said before. You said the difficulty was that he could not agree on behalf of his firm and would have to go back and consult his firm. It is

any, "Well, I will have to consult my people before
I can say whether we will do this that or the other
thing," and at this meeting they were trying to have
representatives of mills who could make a decision
for their company.

"Now, what would be decided on that was such
an important matter that it had to be a man that could
decide. What was it you were to agree to at a
meeting of the mills at which all were going to be
present that required a man of that importance to be
present?"

"February 2nd, 1903? A. I would not
have the slightest idea what that meeting was called
for."

"Can you conceive of why you should all be
gathering together in Montreal with such important
men present that they could pledge the mill to some
course of conduct? A. I think - this would

be only my thoughts, in connection with it, would
be that at so many previous meetings there was
probably some representative of the mill, who could
not speak for the firm and whatever took place at the
meeting was not carried out because the proper officials
of the mill was not there to commit their plant to

"You are putting it a little differently than
what you said before. You said the difficulty was
that we could not agree on behalf of the firm and

the subject matter that was being discussed, if you can give me any light on it at all? A. I could not tell you what took place at the meeting.

Q. Were all these meetings you had in Mr. Hallam's office or surrounding Mr. Hallam an entire blank to you? A. No, they are not an entire blank.

There are a lot of things I could remember what took place and what was discussed. I tried to tell you yesterday about some of them.

Q. Well, why was it that there was special announcement sent out that "Canadian Silk Products will be represented by Mr. E. J. Thompson?" A. Yes.

Q. Why was he selected out of all the other mills for special announcement? A. Because Mr. E. J. Thompson would not become a member of the Association.

Q. Now, if you don't mind I would sooner you would put your notes in your pocket? A. You asked me for some information and I was just going to try to refresh my memory.

I do not think it is necessary on my examination of this that you have some prepared notes to read to me.

A. No, I sat down to try to recollect what actually did take place at these meetings and I made notes of these things. If you don't want me to try and refresh my memory and make me remember what was said---

Q. It is not what was said - it is the general policy of what you were doing and you do not seem to be able to tell me anything about it? A. I have notes of some of them, if you will let me read them

the subject matter that was being discussed, if you
 give me any light on it at all? I could
 not tell you what I had in mind at the time.
 . . . Well, these meetings you had in Mr. Holman's
 office or surrounding Mr. Holman on entire blank to
 . . . Well, I could not tell you what I had in mind at the time.
 There are a lot of things I could remember that took
 place and what was discussed. I tried to tell you
 yesterday but I was not able to.
 . . . Well, why was it that there was a school
 . . . Will be represented by Mr. E. J. Thompson? A. Yes.
 . . . Why was he selected out of all the other allies
 for special announcement? A. Because Mr. E. J.
 Thompson would not become a member of the Association
 . . . Now, if you don't mind I would sooner you would
 put your notes in your pocket? A. You asked me
 for some information and I was just going to try
 . . . I do not think it is necessary on my examination
 of this that you have some prepared notes to read to
 A. No, I sat down to try to recollect what actually
 did take place at these meetings and I made notes
 of these things. If you don't want me to try and
 refresh my memory and make me remember what was said--
 . . . It is not what was said - it is the general
 policy of what you were doing and you do not seem to
 be able to tell me anything about it? A. I have

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now.

MR. McRUER: With your lordship's permission I have a lady subpoenaed that I would like to ask Mr. Burns in connection with it and if Mr. Burns would step aside.

THE COMMISSIONER: All right, Mr. Burns, step aside.

EDNA COLLARD, Sworn,

EXAMINED BY MR. McRUER:

Q. Mrs. Collard, did you work for the Monarch Knitting Company at one time? A. Yes.

Q. How long did you work for them? A. About eight years.

Q. When did you stop working for them? A. Last Easter.

Q. And what did you work at there? A. I was a winder.

Q. And what were your hours of work? A. From 7.30 until 5.30.

Q. And on Saturdays did you work all day? A. No, just until noon.

Q. Then it would be a 55-hour week you were working? A. I do not know.

Q. All right, we can figure it out. Now, were you paid by piece-work or --- A. By piece work.

Q. What was your winding - what particular job did you have to do in doing winding? A. What do

Q. Now, with your knowledge of the partnership, I

have a lady suggested that I would like to ask

Mr. Burns in connection with it and if Mr. Burns now

the company, all right, Mr. Burns, does

Q. Mrs. Collins, did you work for the company

Knitting Company at one time?

A. Now I did not work for them.

Q. When did you stop working for them?

A. I was

Q. And what did you work at then?

A. I was

Q. And what were your hours of work?

A. And on Saturdays did you work all day?

A. No, just until noon.

Q. Then it would be a 35-hour week you were

working?

A. I do not know.

Q. What was your winding - what particular job

did you have to do in doing winding?

you mean?

Q. What is it? A. Just winding, chain winding.

Q. And were you paid by the pound or ---

5 A. Yes.

Q. By the pound? A. Yes, sir.

Q. Did you have a record of the amount that you did given to you? A. No, we kept that ourselves and turned it in each week and it was checked.

10 Q. You kept it yourself? A. Yes, sir.

Q. And turned it in each week and it was checked?

A. Yes, sir.

Q. Now, how did your pay compare over this period of years. You were at the same job, I take it?

15 A. Well, most of the time.

Q. Well, did you get the same? How much a week did you make? A. Oh, sometimes made more than others, just depending on how much work I did.

20 THE COMMISSIONER: Were you paid each week?

MR. McRUER: Q. Paid by the week or fortnightly?

A. Yes.

Q. How much did you get paid a week? A. I did not always get the same.

25 Q. You would have something of an average or from something to something? A. I would average around \$15.00 I would say some weeks anyway, around 15.00 a week.

30 Q. And were you paid about the same one year to another or was there any change? A. I could not tell you.

ON MARCH?

Q. What is it?
A. Just winding, again with
and were you paid by the pound or ---

Q. By the pound?
A. Yes, sir.

Q. Did you have a record of the amount that you
did given to you?
A. No, we kept that ourselves

and turned it in each week and it was checked.

Q. You kept it yourself?
A. Yes, sir.

and turned it in each week and it was checked.

A. Yes, sir.

Q. Now, how did your pay compare over this period

of years. You were at the same job, I take it?

Q. Yes, sir.

Q. Well, did you get the same? How much a week?

A. Yes, sir.

Q. Just depending on how much work I did.

THE COMMISSIONER: Were you paid each week?

MR. BRYDIE: Paid by the week or fortnightly?

Q. How much did you get paid a week?
A. I

did not always get the same.

Q. You would have something of an average in those
amounting to something? A. I would average

around \$15.00 I would say some weeks anyway, around

\$15.00 a week.

Q. And were you paid about the same one year to

another or was there any change? A. I could not

Q. Did you get the same in 1935 that you did in 1930? A. I don't know.

Q. Were there any changes in your rates?

A. Well, we were cut sometimes.

5 Q. When were you cut? A. I don't know that.

Q. How long ~~ago~~ ago? A. I don't know that.

Q. How much did the cut amount to? A. I think some of it was half a cent a pound on some of it, and some of it it was not that much.

10 Q. How much a pound were you paid? A. Just depends on the quality of the wool.

Q. Would there not be a range? I want to get some idea of how much a pound it ran - give it to me on certain qualities, if you can? A. I have forgotten now.

15 Q. Well, any quality? A. Well, the finer yarns we got more money for that than we did the heavier.

20 Q. How much would you get on the finer yarn? A. I think about $2\frac{1}{2}$ cents a pound.

Q. About $2\frac{1}{2}$ cents a pound on the finer yarn?

25 A. On the real fine we got more than that, we got 4 cents.

Q. What quality would it be you were cut half a cent a pound? A. I don't know.

30 Q. Did that cut take place in the last five years? A. I think so.

THE COMMISSIONER: Just the one cut?

Q. Did you get the same in 1933 that you did in 1935?
A. I don't know.
Q. Were there any changes in your tests?
A. Well, we were out sometimes.
Q. Then were you out?
A. I don't know that.
Q. How long ago?
A. I don't know that.
Q. How much did the cut amount to?
A. I think some of it was half a cent a pound on some of it, and some of it it was not that much.
Q. How much a pound were you paid?
A. That depends on the quality of the wool.
Q. Would there not be a range? I want to get some idea of how much a pound it ran - give it to me on certain qualities, if you can?
A. I have forgotten now.
Q. Well, any quality?
A. Well, the finer yarns we got more money for than we did the heavier.
Q. How much would you get on the finer yarns?
A. I think about 2 1/2 cents a pound.
Q. About 2 1/2 cents a pound on the finer yarns?
A. On the real fine we got more than that, we got 3 cents.
Q. What quality would it be you were out half a cent a pound?
A. I don't know.
Q. Did that cut take place in the last five years?
A. I think so.
Q. THE COMMISSIONER: Just one more?

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MR. McRUER: Q. Did you just have the one cut
or have more than one?

A. No, I just think we
had the one. I am not sure.

Q. Now, you were working there in October last year?

5 A. Yes.

Q. Do you recollect getting a small pamphlet in
your pay envelope?

A. Yes, sir.

Q. I show you a pamphlet, was it one similar to
that you got?

10 A. I think it was, yes.

Q. Did the other employees get them in their pay-
envelopes too?

A. I don't know.

Q. I wondered if you saw them opening them?

15 A. No.

Q. At any rate you did?

A. Yes.

Q. And just when was that in respect to the elections?

A. I don't know.

Q. Was it just before the elections?

A. Yes,

20 it was not long before.

THE COMMISSIONER: That refers to this election of
1935?

MR. McRUER: Yes, Election of 1935.

Q. Were they put in more than once?

A. No.

25 Q. Now, during the time before the election were
any of the officials of the company or the foreman,

etc., doing anything ~~in~~ to influence you in the

factory as to how you would vote?

A. Well, one

30 came around and asked us how we were going to vote.

Q. Who was the foreman?

A. Jack Allan.

MR. McHURR: Did you just have the one out

or have more than one?

A. No, I just think we had the one. I am not sure.

Now, you were working there in October last year

... yes.

Do you recollect getting a small pamphlet in

your pay envelope? A. Yes, sir.

I show you a pamphlet, was it one similar to

that you got? A. I think it was, yes.

Did the other employees get them in their pay

envelopes too? A. I don't know.

I wondered if you saw them opening them?

A. No.

At any rate you did? A. Yes.

And just when was that in respect to the elec

I don't know.

Was it just before the election? A. Yes.

it was not long before.

THE COMMISSIONER: That refers to this election

1933?

MR. McHURR: Yes, Election of 1933.

Were they put in more than once? A. No.

Now, during the time before the election were

any of the officials of the company or the foreman

etc., doing anything to influence you in the

factory as to how you would vote? A. Well,

came around and asked us how we were going to vote

Who was the foreman? A. Jack Miller.

Q. Did he say why he was asking you how you were going to vote? A. No.

Q. Was there anything said as to how you ought to vote? A. No.

Q. Or what would happen to you if you did not vote right? A. No.

Q. But he came around and asked you how you were going to vote? A. Yes, sir.

Q. In the factory? A. Yes, sir.

THE COMMISSIONER: Well, did she tell him?

MR. McRUER: Q. Did you tell him how you were going to vote? A. No.

Q. What did he say about that? A. Did not say anything.

Q. What department was he foreman in? A. In the Jersey Department.

Q. Now, the document which is folded - your pay envelopes are about what size, the ordinary pay envelopes, about two or three inches broad?

A. Oh, I would say so.

Q. It is folded as if to insert in some small envelope, at any rate. On the outside it has "protection for the textile industries has saved thousands of Ontario men and women from going on relief. That protection has been the work of the Conservative Government." In the inside:

"Mr. King has pledged himself to tariff reductions which will flood the Canadian market with textile goods from Japan and other foreign

Q. Did he say why he was asking you how you were

Q. Was there anything said as to how you ought to

A. No.

Q. What would happen to you if you did not vote

A. No.

Q. But he came around and asked you how you were

A. Yes, sir.

Q. In the factory?

A. Yes, sir.

Q. Did you tell him how you were going

Q. Did you tell him how you were going

A. No.

Q. What did he say about that?

A. Did not

Q. What department was he foreman in?

A. In

Q. Now, the document which is folded - your pay

A. Oh, I would say so.

Q. It is folded as if to insert in some small

Q. Protection for the textile industries has saved

thousands of Ontario men and women from going on

relief. That protection has been the work of the

Provisional Government. In the inside;

Mr. King has pledged himself to satisfy

the Canadian people

countries.

Do you realise what this means to the jobs of the 46,000 textile workers in Ontario, of which about 26,000 are women?

What will happen in the 82 cities, towns and villages of Ontario in which textile plants are located?

What will the butcher, baker, retailer and professional man in these textile towns do, when the annual pay-roll of approximately \$40,000,000.00 earned and spent by the textile workers in Ontario is reduced or cut off completely by the shutting down of factories?

SIXTY YEARS AGO the Conservative Government provided textile tariffs under which a prosperous textile industry was built up in Ontario towns.

THIRTY YEARS AGO the Liberal Government reduced existing tariff rates and many spinners, weavers, and dyers were thrown out of jobs, many lost their homes, many had to emigrate. The Ontario villages and towns that lived upon the textile industry were sent into decay.

FIVE YEARS AGO a Conservative Government gave adequate protection to the textile industry and spinners were called back to their spinning frames, weavers to their looms and dyers to their dye-tubs. The pay-rolls circulated in the textile towns of Ontario and gave business to

countries.

Do you realize what this means to the jobs

the 48,000 textile workers in Ontario, of which

about 26,000 are women?

What will happen in the 88 cities, towns

and villages of Ontario in which textile plants

What will the butcher, baker, retailer and pro-

fessional men in these textile towns do, when

the annual pay-roll of approximately \$40,000,000

earned and spent by the textile workers in Ontario

is reduced or cut off completely by the shutting

down of factories?

What will be the consequences for the textile

industry which has built up in Ontario towns?

Industry was built up in Ontario towns.

THIRTY YEARS AGO the Liberal Government passed

the Textile Mills Act which gave the textile

and dyers were thrown out of jobs, many lost

their homes, many had to emigrate. The Ontario

villages and towns that lived upon the textile

industry were left in a state of

FIVE YEARS AGO a Conservative Government gave

adequate protection to the textile industry

and spinners were called back to their spinning

frames, weavers to their looms and dyers to their

dye-tubs. The pay-roll increased to the

textile mills of Ontario and the textile

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retailers and professional men.

IN 1936..... What will happen to these textile workers and retailers in the textile towns of Ontario if Mr. King is returned to power and carries out his pledges?

OTTAWA AGREEMENTS OF 1932

One of the purposes of the Ottawa agreements was to see that all textile goods used in Canada were produced in the Empire; that Canadian workers should make what textile goods were possible and that Great Britain and other Empire countries should supply the rest.

WHAT HAPPENED While more and more Canadian workers are busily employed in Canadian mills, here are the increases of purchases from British sources:

CANADA BOUGHT FROM GREAT BRITAIN:

	<u>1932</u>	<u>1934</u>	<u>Inc.</u>
Wool tops, lbs.	6,580,000	7,730,000	17.5%
Wool cloth, sq. yds.....	9,590,000	14,740,000	53.7%
Cotton Yarns lbs.	2,040,000	4,090,000	100.5%
Cotton cloth, sq. yard.....	27,230,000	63,820,000	134.4%
Linen cloth, sq. yards.....	4,060,000	5,340,000	31.5%

In spite of the Ottawa Agreements providing this additional work to textile workers in Great Britain, the Canadian textile mills on the whole are now working at about 120% of day-time capacity, as many are working night shifts.

9171

Collard

From the standpoint of increasing employment for textile workers in the Empire - that is, in Canada and Great Britain - the Ottawa Agreement have proved a huge success.

THE JAPANESE MENACE

DON'T MAKE ANY MISTAKE ABOUT IT ! 'If you place Mr. King in a position to carry out his tariff platform in regard to Japan, where textile wages range from 2.2 cents per hour to 4.3 cents per hour, the Japanese will first drive British textiles out of Canada - as they have already done in India and Egypt - and then drive Canadian workers in Canada out of their jobs.

MR. BENNETT STANDS FOR EMPLOYING LABOUR IN EMPIRE COUNTRIES - CANADA AND GREAT BRITAIN.

MR. KING STANDS FOR EMPLOYING LABOUR IN FOREIGN COUNTRIES - JAPAN AND THE UNITED STATES.

The jobs of thousands of workers depend upon how you vote at the coming election.

Will you vote for Bennett and jobs for textile workers or for King and the jeopardization of our textile industry?

There can be only one answer -

STAND BY CANADA AND

V O T E

C O N S E R V A T I V E . "

Collyard

2171

from the standpoint of the textile industry in

textile workers in the Empire - that is, in

Canada and Great Britain - the Ottawa Agreement

will have a very great effect.

Mr. Bennett says

DON'T TALK ANY MORE ABOUT IT : ' If you place

Mr. King in a position to carry out his tariff

platform in regard to Japan, where textile

wages range from 2.2 cents per hour to 4.2

cents per hour, the Japanese will first drive

British textiles out of Canada - as they have

already done in India and Egypt - and then

drive Canadian workers in Canada out of their

MR. BENNETT STANDS FOR EMPLOYING LABOUR IN

EMPIRE COUNTRIES - CANADA AND GREAT BRITAIN.

MR. KING WANTS THE EMPLOYMENT OF LABOUR IN FOREIGN

COUNTRIES - JAPAN AND THE UNITED STATES.

The jobs of thousands of workers depend upon

how you vote at the coming election.

Will you vote for Bennett and jobs for textile

workers or for King and the jeopardization of our

textile industry?

There can be only one answer -

Vote for Bennett and

Jobs

Mr. Bennett

EXHIBIT 682:

Pamphlet authorized by The
Dominion Conservative Organi-
zation for the Province of
Ontario-Toronto. Printed by
Hambly Bros. Ltd., 191 George
Street, Toronto

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MR. McRUER: I think that is all.

CROSS-EXAMINATION BY MR. KELLOCK:

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Q. You told His Lordship that you were a piece
worked during the entire time? A. Yes, sir.

Q. And you said your hours of work were from
7.30 to 8.30? A. 5.30.

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BY THE COMMISSIONER: Q. I suppose there would
be an hour for lunch? A. Yes.

MR. KELLOCK: Q. And as a matter of fact
you did not always work till 5.30? A. No,
not when they did not have very much to do.

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Q. You only worked to 5.30 when there was
work to be done? A. Yes, sir.

Q. And often you would cease work at 4.30?

A. Yes.

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Q. Perhaps earlier? A. No, not often very
earlier.

Q. But as early as 4.30? A. Yes.

Q. Now, you spoke about a cut which you
received, you say, in some piece rate--you don't know
what that piece rate was? A. Well, that

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was quite awhile ago.

Q. Well, you have been there eight years--was it

Manuscript authorized by the
Dominion Conservative Organiza-
tion for the Province of
Ontario-London. Printed by
[illegible] 177, [illegible]
[illegible]

EXHIBIT 683

MR. MORGAN: I think that is all.

EXHIBIT 683-EXAMINATION BY MR. KELLOCK:

Q. You told his Lordship that you were a piece

worked during the entire time? A. Yes, sir.

Q. And you said your hours of work were from

7.30 to 8.30? A. 8.30.

Q. THE EXAMINATION: I suppose there would

be an hour for lunch? A. Yes.

MR. KELLOCK: Q. And as a matter of fact

you did not always work till 8.30? A. No.

not when they did not have very much to do.

Q. You only worked to 8.30 when there was

work to be done? A. Yes, sir.

Q. And often you would cease work at 4.30?

A. Yes.

Q. Perhaps earlier? A. No, not often very

earlier.

Q. But as early as 4.30? A. Yes.

Q. Now, you spoke about a cut which you

received, you say, in some piece rate--you don't know

what that piece rate was? A. Well, that

was, you have been there eight years--was it

in the first year you worked? A. No.

Q. Second year? A. Well, I don't know. I don't think so, I don't know.

5 Q. The third year? A. Well, I don't know, I could not tell you exactly.

Q. For all you know to day it might have been the third year you were there? A. I don't know.

10 Q. You really don't know when it was? A. No.

Q. And you got a different rate of yarn on every different kind of yarn that you wound?

A. Yes.

15 Q. And I suppose from time to time you were asked to wind new kinds of yarn that you had not previously wound? A. Yes.

20 Q. And that rate would be a new rate so far as you were concerned because you had never wound that kind of yarn before? A. Well, I didn't know anything about the rate on those.

Q. You would not know anything about the rates? A. No.

25 Q. Now, are you thinking about a new kind of yarn that you were asked to wind when you speak about a cut? A. No.

30 Q. You cannot say what the cut was on; you cannot say when it was. You don't know whether it was fine or very fine or heavy, but you did have different rates. There was different rates set on every yarn

10111111

10111111

Q. In the first year you worked?
A. No.

Q. Second year?
A. Well, I don't know. I think so, I don't know.

Q. The third year?
A. Well, I don't know. I could not tell you exactly.

Q. For all you know to day it might have been

the third year you were there?
A. I don't know.

Q. You really don't know when it was?
A.

No.

Q. And you got a different rate of yarn on

every different kind of yarn that you wound?

A. Yes.

Q. And I suppose from time to time you were

asked to wind new kinds of yarn that you had not

previously wound?
A. Yes.

Q. And that rate would be a new rate so far

as you were concerned because you had never wound

that kind of yarn before?
A. Well, I didn't

know anything about the rate on those.

Q. You would not know anything about the

Q. Now, are you thinking about a new kind of

yarn that you were asked to wind when you speak

about a cut?
A. No.

Q. You cannot say what the cut was on; you

cannot say when it was. You don't know whether it was

that you were handed to wind?

THE COMMISSIONER: Is that right? A.

Yes, sir.

5 MR. KELLOCK: Q. And you were asked over the period of years that you have been there, eight years, to wind new kinds of yarn as you went along, is not that right? A. Yes.

10 RE-EXAMINATION BY MR. McRUER:

Q. Whether it was a new kind of yarn or old kind of yarn, was the cut manifest at the end of the week in the last payroll? A. No, we always 15 knew when we were going to get it.

Q. Yes, but at the end of the week, though, when you got your pay did you have less than you had the week before the cut took place? A. Yes.

20 MR. KELLOCK: That was because she was working on different yarn.

Q. When you started in to work 8 years ago what did you average a week? A. I don't know.

25 Q. What were you averaging when you quit? A. Well, I was laid off, I was not getting very much because it was very slack.

Q. What is the most you ever made? A. I think I made nearly \$20.00 one week.

30 Q. Well, aside from that one week what did you ordinarily get? A. I don't just exactly know but I would say around \$15.00.

that you were handed to wind?

THE COMMISSIONER: Is that right?

Yes, sir.

MR. KELLICK: And you were asked over

the period of years that you have been there, eight years to wind new kinds of yarn as you went along, is not

that right?

RE-EXAMINATION BY MR. MOORE:

Q. Whether it was a new kind of yarn or old kind of yarn, was the cut manifest at the end of the week in the last payroll?

A. No, we always knew when we were going to get it.

Q. Yes, but at the end of the week, though, when you got your pay did you have less than you had the

week before the cut took place?

A. Yes.

MR. KELLICK: That was because she was working on different yarn.

Q. When you started in to work 8 years ago what

did you average a week?

A. I don't know.

Q. What were you averaging when you quit?

A. Well, I was laid off, I was not getting very much because

it was very slack.

Q. What is the most you ever made?

A. I think I made nearly \$20.00 one week.

Q. What was the work that you did then?

A. I don't just exactly know, but I would say spinning.

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Q. And were you getting \$15.00 just before you stopped work with the Company, with the exception of the slack time that you speak about? A. No, we were slack for quite awhile.

5 Q. In 1936, this year, were you getting \$15.00 a week? A. No.

Q. Was it pretty slack in 1936 just before you left? A. I don't know whether they were slack or they just did not bring up the work.

10 Q. You did not have the work to do? A. No.

Q. Was there a time in 1935 you were quite busy and had lots of work to do? A. I was out of there all the summer in 1935 and started back in 15 September.

Q. After you were there in September was there a time when you had plenty of work to do? A. Yes, sir.

Q. And what were you getting during that time when you were very busy? A. Around \$16. and 20 \$18.

MR. McRUER: Q. You said you were laid off - when were you laid off? A. I quit when I got married.

25 Q. That was when you were laid off just before you got married? A. I was laid off at Easter time this year.

THE COMMISSIONER: Q. Why were you laid off? A. Well, there was not enough to do.

30 MR. McRUER: Q. Did they tell you that? A. Yes.

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Q. And were you getting \$15.00 just before you
stopped work with the Company, with the exception of
the slack time that you speak about? A. No, we

Q. In 1935, this year, were you getting \$15.00 a
week? A. No.

Q. Was it pretty slack in 1935 just before you
left? A. I don't know whether they were slack

or they just did not bring up the work.

Q. You did not have the work to do? A. No.

Q. Was there a time in 1935 you were quite busy

and had lots of work to do? A. I was out of

there all the summer in 1935 and started back in
September.

Q. After you were there in September was there

a time when you had plenty of work to do? A. Yes, sir.

Q. And what were you getting during that time

when you were very busy? A. Around \$15.00 and
15.00.

Q. Now, A. You said you were laid off -

when were you laid off? A. I don't know I

got married.

Q. That was when you were laid off just before

you got married? A. I was laid off at Easter time
this year.

Q. The Company, A. And were you laid off?

A. Well, there was not enough to do.

Q. Now, A. Did they tell you they were laid off?

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Q. That there was not anything to do? A. There were no orders just at the time.

Q. They told you there were no orders? A. Yes.

Q. Did they say why there were no orders?

A. No.

Q. And you were laid off? A. Yes.

Q. And had that been the custom when things went slack you would be laid off and then brought back again when they got going again? A. Yes.

Q. So that you financed the slack period, so to speak or helped to? A. Yes.

MR. KELLOCK: Q. You had a child born this year, did not you? A. Yes.

Q. When was that? A. 10th of August.

Q. So that you would have to leave the company's employ anyway? A. Yes.

(Page 9178 follows)

Q. That there was not anything to do? A. There

were no orders just at the time.

Q. They told you there were no orders? A. Yes.

Q. Did they say why there were no orders?

A. No.

Q. And you were laid off? A. Yes.

Q. And had that been the custom when things went

slack you would be laid off and then brought back again

when they got going again? A. Yes.

Q. So that you financed the slack period, so to

speak or helped to? A. Yes.

MR. KELLICK: Q. You had a child born this year,

did not you? A. Yes.

Q. When was that? A. 10th of August.

Q. So that you would have to leave the company's

employ anyway? A. Yes.

(The 0178 follows)

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FRANK FUSSEE, sworn,

EXAMINED BY MR. McRUER:

Q. Mr. Fussee, did you work for the Monarch Knitting Company at one time? A. Yes.

Q. How long did you work for the Monarch Knitting Company? A. About 16½ years.

Q. You are not working for them now? A. No.

Q. When did you cease working for them?

A. The 12th of December, 1934.

Q. The 12th of December, 1934; what did you do?

A. At that time I was looking after the gas engines, in the power end of it.

Q. Running power engines? A. The power end of it, the engine room, natural gas engines.

Q. What rate were you paid at? A. 50 cents.

Q. Then, you were an hour worker; were there any changes made in your rate during the last few years?

A. Yes.

Q. What changes were made? A. There was a change made, I cannot say for sure whether it was 1930 or 1931. I got a raise in pay.

Q. You got a raise in pay? A. Yes, five cents an hour.

Q. In 1930 or 1931? A. I cannot say which year it was in.

Q. Then, was there any change made after that?

A. No.

Q. You stayed at the same rate until you quit working? A. Yes.

Q. Now, did you do anything else other than

FRANK FUSANE, sworn.

EXAMINED BY MR. MCNULTY:

Q. Mr. Fusane, did you work for the Monarch Knitting

Company at one time? A. Yes.

Q. How long did you work for the Monarch Knitting

Company? A. About 1 1/2 years.

Q. You are not working for them now? A. No.

Q. When did you cease working for them?

A. The 15th of December, 1934.

Q. The 15th of December, 1934; what did you do?

A. At that time I was looking after the gas engines,

in the power end of it.

Q. Running power engines? A. The power end

of it, the engine room, natural gas engines.

Q. What rate were you paid at? A. 50 cents

an hour. Then, you were an hour worker; were there any

changes made in your rate during the last few years?

A. Yes.

Q. What changes were made? A. There was a

change made. I cannot say for sure whether it was 1930

or 1931. I got a raise in pay.

Q. You got a raise in pay? A. Yes, five

cents an hour.

Q. In 1930 or 1931? A. I cannot say which

it was in.

Q. Then, was there any change made after that?

A. No.

Q. You stayed at the same rate until you ceased

working? A. Yes.

Q. Now, did you do anything else other than

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looking after the engines? A. Well, I did, not the last two months I didn't.

Q. What had you been doing before the last two months? A. Well, there was two men in the engine room before that. The chief engineer went out sick on the first of October. Of course, that left me alone and I didn't go out to do anything else but before that when we were both there we was not worked hard and I helped the master mechanic. I done work in the engine room like repairing a few things that they get too many to do, and I went outside and worked.

Q. Yes, as far as A. On the roof.

Q. When you were outside you worked where?

A. I went outside and worked on the roof when they had the roof to fix, and cleaned up the yard or whatever there was to do.

Q. Did you come in contact with the mill workers at all? A. With which?

Q. With the mill workers, those working inside?

A. Oh yes, not an awful lot.

Q. Can you tell me whether or not what Miss Collard says is true, that in the slack periods they were laid off and then when they got busier they were brought on again? A. I think she told the truth.

Q. From your observation? A. I know she was living at home and she would come home in the afternoon and say she was laid off until to-morrow.

Q. Mrs. Collard is your daughter? A. Yes, there were times when the dye house would get behind and they

looking after the engine? A. Well, I did, not
the last two months I didn't.

Q. What had you been doing before the last two

months? A. Well, there was two men in

the mill, I think, I don't know.

out sick on the first of October. Of course, that

left me alone and I didn't go out to do anything else

but before that when we were both there we was not

worked hard and I helped the master mechanic. I don't

work in the engine room like repairing a few things

that they get too many to do, and I went outside and

worked.

Q. Yes. A. On the roof.

Q. When you were outside you worked where?

A. I went outside and worked on the roof when they

had the roof to fix, and cleaned up the yard or what

ever there was to do.

Q. Did you come in contact with the mill workers

at all? A. With which?

Q. With the mill workers, those working inside?

A. Oh yes, not an awful lot.

Q. Can you tell me whether or not what Miss

Collard says is true, that in the slack periods the

were laid off and then when they got busier they were

brought on again? A. I think she told the

Q. From your observation? A. I know she

was living at home and she would come home in the

afternoon and say she was laid off until to-morrow.

Q. Now, Collard is your daughter? A. Yes.

were times when the one house would get behind and the

had certain orders and they could not get the yarn over to them for to wind.

Q. Do you remember anything why -- you were not there when she was laid off in the spring of 1936?

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A. No.

Q. Do you know whether there were others laid off at that time? A. I know nothing about it.

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Q. Now, is there anything else, Mr. Fussee, that you know in connection with this business that would be of assistance to us? A. Well, I don't know anything particular that I can enlighten you on. As far as the mill is concerned I have no grievance with the company, as far as I am personally concerned myself, nor with anybody else.

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Q. As far as you are concerned you were always treated alright? A. Well --

Q. Yes? A. I was always treated alright until just the last and maybe I was treated alright then but I didn't think so myself.

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Q. What was the trouble there? A. Well, just too many long hours and doing two men's work, towards the last.

Q. Towards the last? A. The last two months.

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Q. Were you put permanently on this job at the last or were you just filling in temporarily?

A. I was just -- oh, I was permanently, I went in the engine room in 1921.

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Q. I know, but when you were doing two men's work was that a permanent arrangement or just temporary?

A. No, there was nothing said about it. I just done

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had certain orders and they could not get the yarn
over to them for to wind.

Q. Do you remember anything why -- you were not
there when she was laid off in the spring of 1932?

A. No.

Q. Do you know whether there were others laid

off at that time? A. I know nothing about it.

Q. Now, is there anything else, Mr. Tiesee, that

you know in connection with this business that would

of assistance to us? A. Well, I don't know

anything particular that I can enlighten you on. As

far as the mill is concerned I have no grievance with

the company, as far as I am personally concerned my

not with anybody else.

Q. As far as you are concerned you were always

treated alright? A. Well --

Q. Yes?

A. I was always treated alright until just the last and maybe I was treated alright

then but I didn't think so myself.

Q. What was the trouble there? A. Well

just too many long hours and doing two men's work,

towards the last.

Q. Towards the last?

A. The last two months.

Q. Were you put permanently on this job at the

last or were you just filling in temporarily?

A. I was just -- oh, I was permanently, I went in

engine room in 1921.

Q. I know, but when you were doing two men's work

was that a permanent arrangement or just temporary?

A. No, there was nothing said about it. I just

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it myself because the other man was out sick.

Q. He was away sick at the time?

A. He was

away sick at the time and the man is in his grave now.

Q. Well, did you break down?

A. I did.

Q. You were not able to stand up; when you say too many long hours how long were your hours?

A. I would go to work at six o'clock in the morning or a quarter after six.

Q. What time did you get through?

A. Half

an hour for dinner; that was my own fault, I am not blaming the Monarch Company for that, and half an hour for supper and then go back and stay till nine.

Q. That was just for these two months?

A. Oh, I worked a lot of overtime before that.

Q. You would get paid for the overtime?

A. Yes.

Q. Did they request you to do it or did you do that voluntarily?

A. Well, at one time I was requested.

Q. When was that?

A. Oh well, from 1920

I had been doing a lot of overtime.

Q. During this time prior to your breakdown how many hours did you work then, from six until nine,

did you say, with half an hour for supper and half an hour for lunch?

A. I have done a lot of that.

I cannot tell you just exactly what it is.

Q. Well, I am wondering if --

A. I have went

in at six in the morning and stayed until twelve at night.

Q. In the year 1934 there were plenty of people

it myself because the other man was out sick.
A. He was away sick at the time?
away sick at the time and the man is in his grave now.
A. Well, did you ever work for him?
A. You were not able to stand up; when you say to
many long hours how long were your hours?
A. I would go to work at six o'clock in the morning
or a quarter after six.
A. What time did you get through?
an hour for dinner; that was my own fault. I am not
leaving the company for that, and half an
hour for supper and then go back and stay till nine.
A. That was just for those two months?
A. Well, I think I had a pretty good time.
A. You would get paid for the overtime?
A. Yes.
A. Did they request you to do it or did you do it
voluntarily?
A. Well, at one time I was
requested.
A. When was that?
I had been doing a lot of overtime.
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many hours did you work there, from six until nine,
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in at six in the morning and stayed until twelve at
A. In the year 1881 there were plenty of people

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Fussee

wanting jobs and I was wondering why you were doing two men's work?

A. Simply because at that time there was not a man available capable of running the business, that end of it.

Q. It was a specialized job? A. Not exactly specialized job, but it was a job that everybody could not do.

Q. What happened after you got through, they must have got somebody to take over then? A. Well, the man coming in mornings and helping me start up got a little inside on it.

Q. Is there one man or two men doing the work now? A. There is two men now, I believe. I don't know, I am just giving you hearsay. I have never been in the mill since I quit.

Q. Alright, thanks. A. It is only just hearsay, what I am telling you.

--

CROSS-EXAMINED BY MR. KELLOCK:

Q. Mr. Fussee, who was the man you said took sick and subsequently died? A. Mr. Schwartz.

Q. He had been with the Monarch Knitting Company how long? A. He came to the Monarch Knitting Company the last time in September of 1918.

Q. He had been there before that? A. He had been there before that.

Q. He had been there about 30 years altogether? A. I suppose likely he had. I don't know.

Q. He was there when you went there? A. He was not there when I went there.

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Page 3

Q. Now, I am going to ask you a few questions about the work you did at the Knitting Company. Is there one man or two men doing the work now?
A. There is two men now, I believe. I don't know.
Q. I am just giving you history. I have never been in the mill since I quit.
A. It is only just history. Alright, thanks.
Q. What I am telling you.
Q. Mr. Tasee, who was the man you said took sick and subsequently died?
A. Mr. Schwartz.
Q. He had been with the Monarch Knitting Company how long?
A. He came to the Monarch Knitting Company the last time in September of 1913.
Q. He had been there before that?
A. He had been there about 30 years ago.
Q. I suppose likely he had. I don't know.
Q. He was there when you went there?
A. He was not there when I went there.

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Q. Do you know how long he had been away?

A. No, I don't.

Q. He was your senior? A. Yes.

Q. And the two of you were there looking after the engines until he took sick, and did you have anybody else? A. Not regularly, no.

Q. I didn't ask you regularly, I asked you if you had anybody else? A. To help us?

Q. Yes? A. Not these last two years we haven't.

Q. Who is the man that succeeded you? A. Well, to tell the truth I don't know.

Q. You don't know? A. No.

Q. You are telling his lordship that you don't know who succeeded you? A. I know there is two men in there, but which is the boss or which is the man that took my place I don't know.

Q. When did Mr. Schwartz die, before you left?

A. No, no.

Q. How long was he sick before you left?

A. He was sick, he was taken sick about the first of October.

Q. You left when? A. The 12th of December.

Q. You say no one was doing any work around the engines besides yourself in that time? A. Saturdays

Q. Saturdays? A. Saturdays.

Q. What do you mean by Saturday? A. Saturday afternoon I generally had a man in there helping me grind valves.

Q. Who was that? A. Sometimes it was Mr.

Q. Do you know how long he had been away?

A. No, I don't.

Q. He was your senior?

A. Yes.

Q. And the two of you were there looking after the engines until he took sick, and did you have anybody

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had anybody else? A. To help me?

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men in there, but which is the head or which is the

man that took my place I don't know.

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October.

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engines besides yourself in that time? A. Not

Q. Saturday? A. Saturday.

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A. Saturday

afternoon I generally had a man in there helping me

grind valves.

Q. Who was that?

A. Sometimes it was Mr.

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Cudney, sometimes it was Doc. Mitchell.

Q. Is either one of those now doing the work you did?

A. They are the two that are in there now, so I understand.

Q. And they were always available to help you?

A. Not always, no.

Q. Pardon? A. Not always.

Q. Do you mean to say you could not have had their help if you wanted it? A. Sometimes I could not, I had to get another man.

Q. As a matter of fact, you did not want anybody to help you in that job, did you? A. Did not want anybody to help me?

Q. Yes, weren'tt you offered assistance if you wanted it in there and you did not want it? A. No, I was not, I was not offered any man to come in there steady with me.

Q. I am not asking you that, I am asking you if you were not offered assistance by either one or both of these men whenever you wanted it? A. Either or both of them were not always available.

Q. I did not ask you that, I asked you if you were offered that? A. I was offered help; I knew that without asking anybody, that I could get a man.

Q. Of course you did; isn't this a fact, Mr. Dussee, that for at least the last two years that you were with the Company there were some complaints that you

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to help you in that job, did you? A. Did not want

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Q. Yes, weren't you offered assistance if you want

it in there and you did not want it? A. No, I was

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you were not offered assistance by either one or both

of these men whenever you wanted it? A. Neither

or both of them were not always available.

Q. I did not ask you that, I asked you if you

were offered that? A. I was offered help; I

knew that without asking anybody, that I could get a

Q. Of course you did; isn't this a fact, Mr. Dwyer,

for at least the last two years that you were

with the company there were some complaints that you

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were spending unnecessary time at the plant?

A. I never heard that.

Q. You never heard it? A. No.

MR. McRUER: That is probably from his wife.

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BY MR. KELLOCK: Q. In any event, you got paid for all the time you were there; is that right? A. All the time that was on my card.

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Q. Did you ever complain to anybody in the Monarch Knitting Company that you were being asked to stay there too long? A. I didn't.

Q. You did not? A. No, sir.

Q. All right, so that you didn't feel that you were being imposed upon while you were there?

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A. I never did.

Q. All right, then you have got no complaint about the length of time you worked? A. I did complain towards the last because I could not stand it.

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Q. Did you complain to anybody? A. I certainly did.

Q. Who did you complain to? A. The Superintendent.

Q. Yes, the Superintendent was your chief, wasn't he? A. Well, he is supposed to be.

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Q. And the Millwright is your chief? A. Not that I know of.

Q. Not that you know of? A. Frank Schwartz was my chief.

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Q. He was in the engine room? A. I never had any other principle but what Frank Schwartz was my boss and I was supposed to take orders from him.

were spending unnecessary time of the plant?

A. I never heard that.

A. You never heard it?

MR. MONTGOMERY: That is probably from his wife.

BY MR. KILLICK: In any event, you got paid for

all the time you were there; is that right? A. All

the time that was my duty.

A. Did you ever complain to anybody in the Monarch

Knitting Company that you were being asked to stay

there too long? A. I didn't.

A. You did not? A. No, sir.

A. All right, so that you didn't feel that you

were being imposed upon while you were there?

A. I never did.

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A. And the Millwright is your chief? A. Not that

I know of.

A. Not that you know of? A. Frank Schwartz

was my chief.

A. He was in the engine room? A. I never

had any other principle but what Frank Schwartz was

Q. The Superintendent of the Mill was the chief
of you and Frank Schwartz? A. Yes.

Q. And the Millwright also? A. The Millwright?

Q. Yes, was the Chief of both Schwartz and yourself?

A. Not that I know of.

Q. Now, you refused to take any instructions from
the Millwright, didn't you? A. I refused to work
for two bosses.

Q. Just explain that, will you? A. Outside
of the superintendent or the General manager.

Q. Then, you refused to take any instruction from
anybody in the plant except the General Manager or
the Superintendent? A. No, no.

Q. What did you refuse to do? A. I did not
refuse to take instructions from Frank Schwartz.

Q. All right, you refused to take instructions from
anybody but Schwartz, the Mill Superintendent, or the
General Manager? A. Absolutely.

Q. You refused to take instructions from the
Millwright? A. I did.

Q. And the Superintendent went to see you about that
little matter as to why you would not take instructions
from the Millwright? A. No.

Q. Did you have any discussion with the Superin-
tendent before you left? A. I did.

Q. You attempted to strike him, didn't you?
A. No, I did not attempt to strike him.

Q. Did you strike him? A. No.

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Q. The Superintendent of the Mill was the only
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A. Yes.

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for two bosses.

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A. No, no.

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refuse to take instructions from Frank Schwartz.

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anybody but Schwartz, the Mill Superintendent, or the
General Manager. Is that right?

Q. The refusal to take instructions from the
Millwright?

Q. And the Superintendent went to see you about the
little matter as to why you would not take instructions
from the Superintendent?

Q. Did you have any discussion with the Superin-
tendent before you left?
A. I did.

Q. You attempted to strike him, didn't you?
A. No, I did not attempt to strike him.

Q. Did you strike him?

Q. Did you make any movement that looked as though you were going to strike him? A. Yes, I did.

Q. Then, you refused to take instructions from the superintendent on that day? A. No.

Q. Then, you went over to the General Manager, Mr. Burns? A. No, I did not refuse to take instructions from the superintendent.

Q. You then went to the General Manager, Mr. Burns? A. Yes.

Q. You told Mr. Burns you were not going to take instructions from either the Superintendent or the Millwright? A. No, I don't think I told Mr. Burns that at all.

Q. What did you tell Mr. Burns? A. I went over to Mr. Burns and asked him a question; I told him that we could settle the thing in two minutes. All I asked him was who was the boss in the engine room.

Q. Settled the thing in two minutes, settle what thing? A. About this trouble I had with Mr. Bross.

Q. Mr. Bross is the Superintendent? A. Yes.

Q. What was the trouble you had with him? A. I had asked Mr. Burns on the street when I was going back from dinner if he had time to come over to the engine room as I would like to have a talk with him. Is that right, Mr. Burns?

Q. Just answer my questions, if you will; I did not ask you what you said to Mr. Burns, I asked you what was your trouble with the superintendent?

Q. Did you make any movement that looked as though
you were going to strike him? A. Yes, I did.
Q. Then, you refused to take instructions from the
superintendent on that day? A. No.
Q. Then, you went over to the General Manager, Mr. Burns?
A. No, I did not refuse to take instructions
from the superintendent.
Q. You then went to the General Manager, Mr. Burns?
A. Yes.
Q. You told Mr. Burns you were not going to take
instructions from either the superintendent or the
superintendent?
A. No, I don't think I told Mr. Burns
that at all.
Q. What did you tell Mr. Burns?
A. I went over to Mr. Burns and asked him a question; I told him that
we could settle the thing in two minutes. All I
asked him was who was the boss in the engine room.
Q. Settled the thing in two minutes, settle what
thing? A. About this trouble I had with Mr. Brown.
Q. Mr. Brown is the superintendent? A. Yes.
Q. What was the trouble you had with him? A. I
had asked Mr. Burns on the street when I was going
back from dinner if he had time to come over to the
engine room as I would like to have a talk with him.
Q. Just answer my questions, if you will; I did
not ask you what you said to Mr. Burns, I asked you
what was your trouble with the superintendent?

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A. Well, that was the trouble.

Q. When you got into the altercation and made the
feint as though you were going to hit him? A. Mr.
Burns had sent Mr. Bross word he could not come over
and sent him down to see what I wanted. I started
to tell Mr. Bross what I wanted.

Q. Mr. Fussee you had had frequent altercations;
this is not the first trouble you had had in the mill?
That had been your attitude for some time?

A. No, no.

Q. In any even., when you went to see Mr. Burns
on this day I am asking you if you told Mr. Burns that
you were not going to take instructions from either the
superintendent or the Millwright; did you tell him that?

A. I did not.

Q. Did Mr. Burns say to you if that is your attitude
go and get your keys and bring them to me.

A. No, he did not.

Q. What did he tell you? A. I told him just
what I said to Mr. Bross.

Q. What was that? A. I asked Mr. Bross
to go to Mr. Burns with me and he said he would not go.

Q. I am asking you what you said to Mr. Burns,
not what he said to you? A. That is what I am
trying to tell you.

Q. Well, will you tell me? A. I told Mr.
Burns just what I said to Bross. I was going
to a man that had a principle to talk to

A. Well, that was the trouble.

Q. When you got into the altercation, and made the
point as though you were going to hit him?
Burns had sent Mr. Gross word he could not come over

and sent him down to see what I wanted. I started

to tell Mr. Gross what I wanted.

Q. Mr. Burns you had had frequent altercations;
this is not the first trouble you had had in the mill
That had been your attitude for some time?

A. No, no.

Q. In any event, when you went to see Mr. Burns
on this day I am asking you if you told Mr. Burns that
you were not going to take instructions from either the
superintendent or the millwright; did you tell him that?
A. I did not.

Q. Did Mr. Burns say to you if that is your attitude
go and get your keys and bring them to me.

Q. What did he tell you?
A. I told him just
what I said to Mr. Gross.

Q. What was that?
A. I asked Mr. Gross
to go to Mr. Burns with me and he said he would not

Q. I am asking you what you said to Mr. Burns,
not what he said to you? A. That is what I am
trying to tell you.

Q. Well, will you tell me?
A. I told Mr.

Burns just what I said to Gross. I was going
to a man that had a principle to talk to

Q. That is Mr. Burns? A. Yes, sir.

Q. What did you talk to Mr. Burns about?

A. That is just what I said to Mr. Burns.

5 Q. You mean you came into Mr. Burns' office and you said "I am going to a man with a principle", and is that all the conversation? A. No.

Q. What was the conversation? A. Mr. Burns said "you infer then that Mr. Bross don't have a principle" and I said "no, I don't infer it at all, I said it and I mean it."

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Q. What else? A. Then I asked him who was the boss of the engine room.

Q. Yes? A. He said Fred Leach.

15 Q. Who is Fred Leach? A. The millwright, supposed to be.

Q. What else? A. He says "Fred Leach" and I said "alright, there is no harm done, no quarrel with you and me"; I said "I am quitting".

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Q. You said you were quitting right there?

A. Yes.

Q. That you were not going to take instructions from Fred Leach? A. I said "all I am asking is to pay me what is owing to me and I will walk out."

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Q. You are not complaining about the termination of your employment? A. Not at all, I have made no complaints to anybody.

THE COMMISSIONER: That is all.

JOHN A. BURNS (Examination continued)

30 BY MR. McRUER: Q. Mr. Burns, I show you a copy of a

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Q. What is Mr. Burns?

A. What did you talk to Mr. Burns about?

Q. What is that what I said to Mr. Burns?

A. You mean you came into Mr. Burns' office and

you said "I am going to a man with a principle", and

is that all the conversation?

A. No.

Q. What was the conversation?

Burns said "you enter then that Mr. Burns don't have

a principle", and I said "no, I don't enter it at all."

I said it and I mean it."

Q. What else?

A. Then I asked him

was the case of the engine room.

Q. What else?

A. He says "Wired Leach" and

Q. What is that Leach?

A. The millwright, supervisor

Q. No.

Q. What else?

A. He says "Wired Leach" and

I said "Leach", there is no harm done, no quarrel

with you and me"; I said "I am quitting".

Q. You said you were quitting right there?

A. Yes.

Q. Just you were not going to take instructions

from that Leach?

A. I said "all I can say

is to say what is true to me and I will walk out

Q. You are not complaining about the termination

of your employment?

A. Not at all, I have made

complaints to nobody.

THE COMMISSIONER: That is all.

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letter from your firm to the Silk Association dated February 15, 1934 marked "attention Mr. Hallam".

THE COMMISSIONER: What is the date?

MR. McRUER: February 15th, my lord, 1934.

THE COMMISSIONER: That will be exhibit 683.

EXHIBIT NO. 683: Letter dated February 15, 1934 from Monarch Knitting Company to Silk Association.

MR. McRUER: It reads as follows:

"We wish to advise that yesterday February 14, we sold to The R.A. Beamish Store, Bank St. Ottawa, for immediate delivery 60 dozen last season's discontinued shades at \$5.00 per dozen plus sales tax, net 30 days, of our 6 thread Full Fashioned Hose with cotton top and foot, Style #2250, which as you know is sold regularly at \$5.35 per dozen, Plus Sales Tax, unbranded."

How would the Silk Association know the prices that you sold them at? A. This is addressed attention Major Hallam and he is the one that knew.

Q. How would he know? A. Because that is no doubt in this agreement we made with him the price in that line of hose.

Q. Why do you write to him and tell him you had sold a discontinued line at the other price?

A. Because it was arranged when discontinued merchandise was put on the market it was to be stamped "discontinued", and Major Hallam was to be notified.

Q. You were keeping up to your agreement?

A. That is correct.

Q. Now, I show you a copy of a circular letter

letter from your firm to the Silk Association
dated February 15, 1934 marked "attention Mr. Haliman"

THE COMMISSIONER: What is the date?

MR. MORRIS: February 15th, my lord, 1934.

THE COMMISSIONER: That will be exhibit 883.

Letter dated February 15,
1934 from Houghton Knitting
Company to Silk Association

EXHIBIT NO. 884:

MR. MORRIS: It reads as follows:

"We wish to advise that yesterday February 14, we
sold to The E.A. Bennett Store, Bank St. Ottawa,
for immediate delivery 60 dozen first season's dis-
continued shades at \$2.00 per dozen plus sales
tax, net 20 days, of our 6 thread mill mentioned
above with cotton top and foot, style #2820, which
as you know is sold regularly at \$2.50 per dozen,
which is the best price obtainable."

Now would the Silk Association know the price that you
sold them at?

A. This is addressed to the
Major Haliman and he is the one that knew.

Q. How would he know?

A. Because that is
no doubt in this agreement we made with him the price
in that line of hose.

Q. Why do you wish to him and tell him you

had sold a discontinued line at the other price?

A. Because it was arranged when discontinued merchandise
was put on the market it was to be arranged "dis-
continued", and Major Haliman was to be notified.

Q. You were keeping up to your agreement?

A. That is correct.

Q. Now, I show you a copy of a circular letter

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Burns,

from Major Hallam to -- I suppose it would be to the trade, dated December 29, 1934.

THE COMMISSIONER: It is a letter from?

MR. McRUER: Probably I better put another one in first, December 20, 1934.

THE COMMISSIONER: From?

MR. McRUER: From Major Hallam to Mr. Burns.

THE COMMISSIONER: What is the date of it?

MR. McRUER: December 20, 1934.

THE COMMISSIONER: Exhibit 684.

EXHIBIT NO. 684:

Letter dated December 20, 1934
from Douglas Hallam to J.A.
Burns.

MR. McRUER: This reads as follows:

"Dear Sir: Prepayment Allowance

The replies to our letter regarding the reduction of prepayment allowance to not more than 7%, indicate a general acceptance of this proposal in the knitting trade. It is believed that the 7% allowance should be made effective by all companies and for all customers commencing with Fall 1935 business."

Now, what was the prepayment allowance that was discussed in this letter?

A. That would mean that the various manufacturers agreed that when the merchants would prepay their bills that they should be made an allowance at the rate of 7% per annum for the number of days that it was prepaid.

Q. And the manufacturers were agreeing apparently as to how much, as to what the allowance would be; they were standardizing it?

A. They agreed that that

from Major Helms to -- I suppose it would be to
make, what I suppose is, 1934.

THE COMMISSIONER: It is later from
Mr. Helms: Probably I better put another one in
first, December 15, 1934.

THE COMMISSIONER: From Major Helms to Mr. Helms.
THE COMMISSIONER: What is the rate of it?
Mr. Helms: December 15, 1934.

EXHIBIT NO. 604:
Letter dated December 15, 1934,
from Douglas Helms to J.A.
Helms.

THE COMMISSIONER: This is the letter
that was:

The notice to our letter regarding the
reduction of payment allowance to not more
than 1% indicates a general acceptance of this
proposal in the knitting trade. It is believed
that the 1% allowance should be made effective for
all companies and for all customers commencing
from this date.

Now, what was the payment allowance that was dis-
covered in this letter?
A. That would mean
that the various manufacturers agreed that when the
merchants would pay their bills that they should be
made an allowance at the rate of 1% per annum for the
number of days that it was prepaid.

A. And the manufacturers were agreeing something
as to how much, as to what the allowance would be; that
were standardizing it? A. They agreed that that

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was a fair amount.

Q. This letter states that "allowance to not more than 7% indicate a general acceptance of this proposal" -- no, that may confuse you -- "The replies to our letter regarding the reduction of prepayment allowance to not more than 7%, indicate a general acceptance of this proposal in the knitting trade". Now, the trade apparently agreed together on an allowance of not more than 7%?

A. There is a letter that apparently leads up to this; you have it there, haven't you?

Q. No, I haven't got the other letter he sent out but I am getting at what you were doing. You will interpret these letters to me, but I want to know from you what it was you were doing?

A. My lord, there must be a letter leading up to this that would help if I could see it.

Q. Well, we will try and find it if we can.

A. I think you have it in your hand.

Q. No, the one I have got in my hand is December 29th.

A. That is after this.

Q. Yes, it is after this, but do you know about this allowance of 7%?

A. Certainly.

Q. Well, tell us about it, just what you were agreeing on?

A. This was an indication that the various manufacturers would give their customers a prepayment allowance at the rate of 7% per annum on any portion of the time --

BY THE COMMISSIONER: Q. On any what?

A. On any portion of the time that they had prepaid their

was a fair amount.

Q. This letter states that "allowance to not

more than 7% indicate a general acceptance of this

proposal" -- no, that may confuse you -- "The replies

to our letter regarding the question of proposal

allowance to not more than 7% indicate a general

acceptance of the proposal in the majority of cases.

Now, the trade apparently agreed together on an

allowance of not more than 7%.

Q. There is a letter that apparently leads up to this; you have it

there, haven't you?

Q. No, I haven't got the other letter he sent out

but I am getting at what you were doing. You will

interpret these letters to me, but I want to know

from you what it was you were doing.

Q. No, there was a letter leading up to this that

would help to I could see it.

Q. Well, we will try and find it if we can.

A. I think you have it in your hand.

Q. No, the one I have got in my hand is December

letter. That is after this.

Q. Yes, it is after this, but do you know about

this allowance of 7%?

Q. Well, tell us about it, that was your work

agreeing on? A. This was an indication

that the various manufacturers would give their

customers a percentage allowance at the rate of 7%

but some on a portion of the time --

Q. BY THE COMMISSIONER: Is that all?

any portion of the time that they had previously

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Burns,

bill. For instance, if the bill was 60 days and they paid it in 30 days they would get 30 days allowance at the rate of 7% per annum.

BY MR. McRUR: Q. Why couldn't the manufacturers act individually and allow them whatever they liked? Why agree among yourselves as to what it is to be?

A. Because this is representing what would be a fair trade practice.

Q. But why not let a man be custodian of his own morals in regard to what prices he will sell at because that is what it comes back to, if he allowed 10% it would make it 10% less for his customer?

Why were you getting together and agreeing on all these things? You agreed on the allowance, you agreed on f.o.b. mill, you agreed on all these details; now, what were you doing it for? A. To make a constructive movement in the industry.

Q. Constructive to what end? A. Fair trade practice.

Q. It was to limit competition in the discounts that would be made, at any rate, was it not?

As

A./I interpret it there may have been some concern that was allowing 8%.

Q. Why couldn't they if they wanted to?

A. They thought it was better trade practice to have a uniform method of handling it.

Q. What do you mean by trade practice? That is a thing I cannot understand. Why, if I am running

a knitting business, can I not allow my customers any discount I like for prepayment of a bill? I may

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BRYDIE

bill. For instance, if the bill was 50 days and
paid in 30 days they would get 50 days allowance
at the rate of 7 1/2 per annum.

not individually and allow them whatever they liked
Why agree among yourselves as to what it is to be?
A. Because this is representing what would be a fair
trade practice.

But why not let a man be custodian of his
own morals in regard to what prices he will sell at
because that is what it comes back to, if he allows
10% it would make it 10% less for his customer?

Why were you getting together and agreeing on all
these things? You were in the industry, you
agreed on L.C.D. bill, you agreed on all these

A. Now, what were you doing it for?
make a constructive movement in the industry.
A. But first

constructive to what end?
practice.
A. It was to limit competition in the discounts
that would be made, at any rate, was it not?
A. I interpret it there may have been some concern
that was allowing 5%.

Why couldn't they if they wanted to?
A. They thought it was better trade practice to have
a uniform method of handling it.

What do you mean by trade practice? That is
a thing I cannot understand. Why, if I am running
a knitting business, can I not allow my customers
any discount I like for payment of a bill? I may

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5 be able to use the money to more advantage than you, and
if I get my money in I can turn it over again. What
have you got to be monkeying with the allowances that
the mills make to their respective customers? What is
underlying it all? You can put ~~it~~ it in a general
statement that it is good trade practice; what do you
mean by that? A. Don't you understand what
good trade practice is?

10 Q. I haven't the slightest idea what you mean by
saying this was good trade practice. I am asking you
what you mean by that? A. That was a constructive
method of handling a situation of that kind.

15 Q. That is a very general statement again. You
are an intelligent man, you have built up a very big
business and you can surely answer a very simple
question, and that is, what you mean by a constructive
method of handling a situation of that kind?

20 A. Well, a destructive way of handling it would be to
have everybody that was doing business in the country
give various rates of discounts for the same purpose.

Q. Why shouldn't they? A. Because it
is not a constructive way of running an industry.

Q. Why? A. Because it isn't.

25 Q. Because, that is a woman's ~~xxxxx~~ reason, I want
something better from you than just because. Why
shouldn't a man who is running a business give 8%
discount if he wants to for prepayment? It is his
own business. Why shouldn't he do it the way he wants
30 to instead of you getting together and making an
agreement with Mr. Hallam about it? A. Well,

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BRYDIE

be able to use the money to more advantage than you.
if I get my money in I can turn it over again. What
have you got to be monkeying with the allowance that
the mills make to their respective customers? What
statement that it is good trade practice; what do you
mean by that?

Good trade practice is?

Q. I haven't the slightest idea what you mean by
saying this was good trade practice. I am asking you
what you mean by that? A. That is a constructive
method of handling a situation of that kind.

Q. That is a very general statement again. You
are an intelligent man, you have built up a very big
business and you can surely answer a very simple
question, and that is, what you mean by a constructive
method of handling a situation of that kind?

A. Well, a destructive way of handling it would be to
have everybody that was doing business in the country
give various rates of discounts for the same purpose.
Q. Why shouldn't they? A. Because it

is not a constructive way of running an industry.

Q. Because, that is a woman's EXXEX reason, I want
something better from you than that because. Why
shouldn't a man who is running a business give 8%
discount if he wants to for propaganda? It is his
own business. Why shouldn't he do it the way he wants
to instead of you getting together and making an
agreement with Mr. William about it? A. Well,

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it might interest you to know that our practice was to give 7% and had been long before that period.

Q. What I am asking you is, why get together and agree on it with the other manufacturers?

5 A. I think it was on account of it being constructive in the trade to have it uniform.

Q. What do you mean by constructive in the trade?

A. Don't you know what to be constructive in the trade means?

10 Q. I don't know what you mean by it, I am asking you to tell me what you mean? A. To have a uniform practice in the trade.

Q. That the manufacturers would have a uniform practice in the trade? A. That the manufacturers would have a uniform practice in the trade.

15 Q. If they had not agreed on the prices that the goods were to be sold at it would not make a particle of difference what discount they allowed, would it? A. Well, the spirit of that arrangement with Major Hallam would not have been lived up to if some firms gave 10% per annum for prepayment and ^{or} 8% ~~per~~ some other rate so they brought it into a uniform practice.

20 Q. This was in order that the spirit of the agreement in regard to the prices should be lived up to; that is why this is. A. I don't know what led up to that.

Q. That is your idea of what it was.

25 A. That would help to carry out the arrangement that was made with Major Hallam.

30 Q. Alright then; I thought that was what it was,

Bureau, 4150

it might interest you to know that our practice was
to give 7 1/2 and had been long before that period.

Q. What I am asking you is, why get together

and agree on it with the other manufacturers?

A. I think it was on account of it being competitive
in the trade to have it uniform.

Q. What do you mean by competitive in the trade?

A. Don't you know what to be competitive in the

trade means?

Q. I don't know what you mean by it, I am asking

you to tell me what you mean? A. To have a uniform

practice in the trade.

Q. That the manufacturers would have a uniform

practice in the trade? A. That the manufacturers

would have a uniform practice in the trade.

Q. If they had not agreed on the prices that the

goods were to be sold at it would not make a particle

of difference what discount they allowed, would it?

A. Well, the spirit of that arrangement is to have

Belgian would not have been lived up to it some time

or

save 10% per annum for payment and 8% for some

other rate so they brought it into a uniform practice

Q. This was in order that the spirit of the agree-

ment in regard to the prices should be lived up to;

that is why this is. A. I don't know what led

Q. That is your idea of what it was.

A. That would help to carry out the arrangement that

was made with Major Nelson.

Q. All right then; I thought that was what it was.

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besides being constructive. Then, to be attached to that exhibit, my lord, I suggest I add a letter dated December 29, 1934 from Douglas Hallam. It is a circular letter.

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THE COMMISSIONER: Just a minute, the last one was also from Hallam?

MR. McRUER: Yes, my lord.

THE COMMISSIONER: There is a circular attached to it?

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MR. McRUER: This is a letter dated 9 days later, December 29th.

THE COMMISSIONER: You want to make it part of the same exhibit?

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MR. McRUER: Yes, my lord.

MR. KELLOCK: Are there three in this exhibit or two?

MR. McRUER: Just two.

MR. KELLOCK: I thought the last letter was Mr. Burns to Mr. Hallam?

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MR. McRUER: No, Hallam to Burns.

THE COMMISSIONER: There was a letter from the Monarch Knitting Company to the Silk Association, attention Mr. Hallam, that is 683; 684 is two documents, a letter, Mr. Hallam to Mr. Burns and a circular.

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MR. KELLOCK: Yes.

MR. McRUER: This is re "7% prepayment allowance".

"Please disregard our letter of December 28th on this subject. The following is a correct copy.

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The following knitting mills are in accord with making a not more than 7% allowance for

besides being connective. When, to be attached
to that exhibit, by 1010, I suggest I add a letter
dated December 29, 1934 from Douglas Helman. It is
a circular letter.

THE COMMISSIONER: Just a minute, the last one was
also from Helman?
MR. MORSE: Yes, my lord.

THE COMMISSIONER: There is a circular attached to
it?
MR. MORSE: This is a letter dated 9 days later,
December 29th.

THE COMMISSIONER: You want to make it part of the
same exhibit?
MR. MORSE: Yes, my lord.

MR. KILGORE: Are there three in this exhibit or
two?
MR. MORSE: Just two.

THE COMMISSIONER: But as to Mr. Helman?
MR. MORSE: Yes, my lord.
THE COMMISSIONER: There was a letter from the
Worship Knitting Company to the Silk Association,
attention Mr. Helman, that is 383; 684 is two days
a letter, Mr. Helman to Mr. Burns and a circular.

MR. KILGORE: Yes.
MR. MORSE: This is the "V" payment allowance.
"Please disregard our letter of December 28th on
this subject. The following is a correct copy.
The following Knitting Mills are in receipt
with making a not more than 7% allowance for

"prepayment, commencing with Fall 1935 business.

Please advise us by return that your firm
is putting this into effect for Fall 1935 business.

Yours faithfully, Douglas Hallam, Secretary,"

and the mills are Atlantic -- well, they are enumerated
here, 28 mills. Now, I show you a circular letter
from Douglas Hallam dated August 4, 1934 on the letter
head of the Canadian Woollen and Knit Goods Manufactur-
ers' Association.

THE COMMISSIONER: What is the date?

MR. McRUER: August 4th, 1934.

"The attached letter from the Allied Textile Trades
Association outlines a proposition which they wish
to have considered by our executive", and the
attached letter is dated July 3rd, 1934 from Leslie
Biggin, President, apparently, of the Canadian Allied
Textile Trades Association to Douglas Hallam.

THE COMMISSIONER: Well, the whole thing will be
685.

EXHIBIT NO. 685: Letter dated August 4, 1934,
from Douglas Hallam with
attachment.

BY MR. McRUER: Q. What is the Canadian Allied
Textile Trades Association? A. That is an
Association -- I think it was the wool dealers
association -- I think that is an association of raw
material people, people who deal in wool and supplies
for the textile trade. I think that is what it is.

THE COMMISSIONER: You had better close those
windows; I didn't hear that at all. What is this
association?

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MR. McRUER: The name of the association is Canadian Allied Textile Trades Association.

THE COMMISSIONER: Yes.

BY MR. McRUER: Q. You say it is what?

5 A. It is an association, I believe, of various firms who sell raw materials, such as wool, and various supplies that manufacturers use.

10 Q. We will read the letter. There is some reference to other matters here that I want to see if you can enlighten me on.

"The members of our own Association, as well as the members of the Dominion Wool Dealers Association, Limited"-- now, that seems to be a different association -- "The Dominion Wool Dealers Association Limited, have called the attention of the executives of each association "-- now, that is the executive of the Canadian Allied Textile Trades Association and the Canadian Woollen and Knit Goods? A. I think that refers to the Wool Dealers' Association.

20 Q. "-- have called the attention of the Executives of each Association to the number of cancelled contracts for raw material which they have received from various Canadian mills and which they consider are entirely without justification. They are becoming alarmed at the seriousness of this situation. Some mills have cancelled high priced contracts without any apparent reason except the difference in market value. Arbitration has been refused, and it has more or less been put up to the seller that he can either cancel or forego any future

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Mr. Norman: The name of the association is
Canadian Wool Dealers' Association.
The Association, Yes.
It is an association, I believe, of various firms
who sell raw materials, such as wool, and various
supplies that manufacturers use.
We will read the letter. There is some refer-
ence to other matters here that I want to see if you
can enlighten me on.
"The members of our own Association, as well as
the members of the Dominion Wool Dealers' Asso-
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ent matter. The Dominion Wool Dealers' Association
Limited, have called the attention of the executive
of each association"--now, that is the executive
of the Canadian Wool Dealers' Association and
the Dominion Wool Dealers' Association.
That refers to the Wool Dealers' Association.
"--have called the attention of the executive
of each association to the number of cancelled contracts
for raw material which they have received from
various Canadian mills and which they consider
entirely without justification. They are becom-
ing alarmed at the seriousness of this situation.
Some mills have cancelled high priced contracts
without any apparent reason except the difference
in market value. Arbitration has been refused
and it has more or less been put up to the mills
that he can either cancel or forego any further

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"business.

We realize that conditions of this kind exist in the clothing trade, but apart from our belief that it should be resisted strongly in that section of the industry, we certainly do not intend to have this bad feature creep into our own section, and our members are very concerned and determined to resist attempts to cancel contracts which they have accepted in all good faith.

As a result of the above, I am writing to ask you if you will place before your Executive at their next meeting our request that your Association assist in forming a joint Arbitration Board composed of unnamed members of your Association, The Dominion Wool Dealers Association and our Association. We should like to be in a position to advise all manufacturers that an arrangement of this kind has been definitely made and that any dispute regarding quality, terms, time of delivery ~~xxx~~ or other matters which enter into contract can be settled by this Board impartially. Furthermore, if the buyer or seller refuses to arbitrate, such refusal shall allow the other party to place the facts before this Board, who will issue publicly to all the members of the trade a written resume of the case.

We are sure that the members of your Association who do business in an honest and straightforward manner, and who have always taken up their contracts no matter what the market condition, will resent the

business.
to realize that conditions of this kind exist
in the clothing trade, but apart from our belief
that it should be resisted strongly in that respect
of the industry, we certainly do not intend to
this has feature over into our own section, and
our members are very concerned and determined to
resist attempts to cancel contracts which they
have accepted in all good faith.
As a result of the above, I am writing to ask
if you will also before your Executive at their
meeting in Toronto in June, 1914, bring forward
a proposal of unanimous members of your Association, The
Dominion Wool Dealers Association and our Associa-
tion. We should like to be in a position to
advise all contributors that an arrangement of
this kind has been definitely made and that any
dispute regarding quality, terms, time of delivery
and or other matters which enter into contract
be settled by this Board impartially. Further
if the buyer or seller wishes to arbitrate, and
personal self allow the other party to place the
issue before this Board, who will issue public
to all the members of the trade a written report
the case.
We are sure that the members of your Association
will be glad to do so, and will also
manner, and who have always taken us into con-
sideration.

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Burns,

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"attempt of any other manufacturers to cancel contracts unjustly, and thus put them in a position to re-purchase on a lower basis and create unfair competition against them; and that even if for no other reason than this, they will heartily support any action which will provide a remedy for such unethical business practice.

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I should appreciate it if you would advise me at the earliest opportunity what the reaction of your executive is to this proposal as if they are willing, we would like to get this Board formed right away and make the announcement promptly."

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Now, do you remember what the trouble was at this time? A. The trouble that I remember, that I gather from that --

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Q. No, you will interpret these letters; I can read the letters myself. I am asking you if you remember what the trouble was at this time?

A. Yes, I think I do.

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Q. Alright then, give me what you remember about it? A. My recollection would be that when the market would suddenly have a very considerable drop some of the smaller unscrupulous manufacturers -- I don't know whether I should call them unscrupulous, but their action indicated they were -- deliberately cancelled their contracts and would not take delivery..

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Q. That is, from the suppliers of raw material? A. That is from the suppliers of raw material, and they were seeking a remedy against that.

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BUTTS

"attempt of any other manufacturers to cancel or
trajectories negatively, and time put them in a position
competition against them; and that even if for
other reason than this, they will heartily support
any action which will provide a remedy for such
unjustified action by the public."

I should appreciate it if you would advise me
at the earliest opportunity what the reaction of
your executive is to this proposal as if they are
willing, we would like to get this board formed
right away and make the announcement promptly."
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remember what the trouble was at this time?
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Q. All right then, give me what you remember about
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able drop some of the smaller manufacturers manu-
facturers, but their action indicated they were --
calculatedly cancelled their contracts and would not
make delivery.

Q. That is, from the suppliers of raw materials?
A. That is from the suppliers of raw materials, and
they were looking a remedy against that.

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THE COMMISSIONER: Well, if he would just tell us what remedy was being sought I think that would be a short cut to the whole question.

THE WITNESS: I think they tried to set up an arbitration board.

BY MR. McHAER: Q. Did they do that? A. I don't think it was carried out.

BY THE COMMISSIONER: Q. An arbitration board to decide what, whether the man had a right to cancel? A. To review all circumstances in connection with contracts and make a determination as to whether the wool dealer was right or his customer. I don't think it was ever set up.

BY MR. McHAER: Q. The suppliers of raw material are evidently organized in an association?

A. I would judge so.

Q. And the complaint was that certain manufacturers when prices dropped in raw material would cancel contracts for supplies? A. They cancelled or never specified it.

Q. And evidently they were in a position, according to this letter, of sitting back and saying "you will either re-write at a lower price or do what you like"?

A. Yes.

Q. And this association was attempting to form a joint arbitration board; I think that was set up later on, from some correspondence I have.

A. It might have been.

Q. But whether it ever functioned or not I cannot

tell you. A. I never remember hearing of a

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what remedy was being sought I think that would be
a short cut to the whole question.

THE WITNESS: I think they tried to set up an anti
union board.

BY MR. ROBERT: Q. Did they do that? A. I don't
think it was carried out.

BY THE COURT: Q. An arbitration board to
decide what, whether the man had a right to consoli-
A. To review all circumstances in connection with
contracts and make a determination as to whether the
wool dealer was right or his customer. I don't think
it was ever set up.

BY MR. ROBERT: Q. The suppliers of raw material
are evidently organized in an association?
A. I would judge so.

Q. And the complaint was that certain manufacturers
when prices dropped in raw material would cancel
contracts for supplies?
A. They cancelled it.
Q. And evidently they were in a position, second
to this point, to have some law which would
either re-write or a law which would prevent them
from doing that.

Q. And this association was attempting to form
joint arbitration boards; I think that was not so
later on, from some correspondence I have.
A. It might have been.

Q. But whether it ever functioned or not I cannot
tell you.

case on it.

Q. But the idea was that the board would arbitrate these claims between them. Well, my lord --

THE COMMISSIONER: We are going on this afternoon, do you think?

MR. McRUER: I think we can finish early this afternoon, my lord, unless my friend is going to take some time.

THE COMMISSIONER: You would like to have a recess now?

MR. McRUER: I am not particular. We might as well go right on. Mr. Burns, I show you a circular dated the 28th of November, 1935, which is headed "effective from"-- I think this is in, my lord, I will just have to check and see if it is the same one. It is marked "effective from September 27th, 1935", and it sets out certain prices for yarns. This comes from your files. A. Oh, I think I know what this is.

Q. Yes, tell me what it is? A. I think this was a price list that was gotten out in connection with worsted yarns that were sold.

Q. In connection with worsted yarns, a price list that was gotten out by the association?

A. I don't know, I cannot say, we are not in that end of the business.

Q. You don't make any of these yarns?

A. We make them but we use them ourselves.

Q. You don't sell any? A. No.

Q. You don't make any for sale to the public?

case on it.

Q. But the idea was that the board would arbitrate these claims between them. Well, my lord --

THE COMMISSIONER: We are going on this afternoon do you intend?

MR. McLELLAN: I think we can finish early this afternoon, my lord, unless my friend is going to take some time.

THE COMMISSIONER: You would like to have a recess now?

MR. McLELLAN: I am not particular. We might as well go right on. Mr. Burns, I show you a photograph

dated the 20th of November, 1935, which is headed "retroactive from" -- I think this is in, my lord. I will just have to check and see if it is the same

one. It is marked "retroactive from September 27th, 1935", and it sets out certain prices for yarns.

Q. This comes from your files. A. Oh, I think I know what this is.

Q. Yes, tell me what it is? A. I think this was a price list that was gotten out in connection with worsted yarns that were sold.

Q. In connection with worsted yarns, a price list that was gotten out by the Association?

Q. I don't know, I cannot say, we are not in that of the business.

Q. You don't make any of these yarns? A. We make them but we use them ourselves.

Q. You don't make any for sale to the public?

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A. No, that is for sale to manufacturers.

Q. Did you take any part in arriving at the prices?

A. I don't remember ever taking any part.

Q. Yes, this is the same as exhibit number 573, my lord.

THE COMMISSIONER: Just leave it that way.

MR. McRUER: So I will just leave it. It reached Mr. Burns and that is all. You say none of these yarns are the sort that you manufacture for sale to the public?

A. No.

Q. So that you would not really be effected by the price list?

A. No, we would not be interested.

Q. Well, in regard to this arbitration board I have one other letter, the one I had in mind, that indicates that it was set up, whether it functioned or not. I show you a letter dated September 4th, 1935, from Mr. Hallam to yourself?

A. Yes.

Q; It says: "After several months discussion with the officers of the Canadian Allied Textile Trades Association, your executive has agreed to try out a scheme for voluntary arbitration in disputes between members of the two Associations.

Your Association has set up a panel of seven arbitrators to match the panel set up by the Canadian Allied Textile Trades Association.

In case a member of our Association desires to have a matter arbitrated with a member of the other Association, he first takes the matter up with this office, and this office ascertains whether an arbitration can be arranged.

A. No, they're for sale to manufacturers.

Q. Did you take any part in arriving at the

prices? A. I don't remember ever taking any part

Q. Yes, this is the same as exhibit number 575,

THE COMMISSION: Just leave it that way.

MR. MOHR: No I will just leave it. It reached

MR. BURNS and that is all. You say none of these

prices are the sort that you manufacture for sale to

the public? A. No.

Q. Do you think you would not really be affected by

the price list? A. No, we would not be

Q. Well, in regard to this situation here I

have one other letter, the one I had in mind, that

indicates that it was set up, whether it functioned

or not. I show you a letter dated September 4th,

Q. It says: "After several months discussion with

the members of the Canadian Allied Textile

Trade Association, your executive has agreed to

set out a scheme for voluntary contribution in

response between members of the two associations

Your association has set up a panel of seven

experts to match the panel set up by the

Canadian Allied Textile Trade Association.

In case a member of our association desires

have a panel exhibited with a member of the

other Association, we must make the matter up

with this office, and this office associates

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9204

Burns,

" If an arbitration can be arranged, then two arbitrators are chosen from each panel", and so on?

A. Yes.

5 Q. Might I attach this to the other exhibit, my lord, the second to the last one, I think. Now, I want to discuss with you, Mr. Burns, the question of the Industrial Standards Act. Are your employees organized in anything in the nature of a union?

A. No, they have an association.

10 Q. An employees' association? A. Yes, an employees' association.

(page 9205 follows)

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BRYDIE

" If an arbitration can be arranged, then the arbitrators are chosen from each panel", and

Q. Yes.

A. Might I attach this to the other exhibit, my Lord, the record to the last one, I think. Now,

I want to discuss with you, Mr. Brydies, the question of the Industrial Standards Act. Are your employees

organized in anything in the nature of a union?

A. No, they have an association.

Q. An employees' association?

A. Yes, sir.

(page 200 follows)

(page 200 follows)

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Q. What is the nature of that association?

A. That is a copy of the Constitution.

MR. McRUER: This is Constitution and By-laws of the Monarch Employees Relief Association of Dunnville.

EXHIBIT 686: Constitution and By-laws of the Monarch Employees Relief Association of Dunnville.

Q. Now, is this in existence now and functioning?

A. Yes.

Q. Who are the executive officers of the Association now? A. I could not say who they were.

THE COMMISSIONER: I notice it is a Relief Association, whatever that means.

MR. McRUER: Q. What is the object of this Association?

A. I think the principal object of it is if any employee meets with any serious illness or some unfortunate thing happens to them that they need financial assistance then they are entitled I think - is it \$5.00 a week? It mentions it in the by-laws and this committee and officers are set up by the employees.

Q. I notice the objects are contained in paragraphs 2 and 3:

"2. The object of the Association shall be to provide for the benefit and relief of the Employees of the Monarch Knitting Company, Limited, of Dunnville.

"3. It is intended that Employees who meet with accident or sickness, and who are thereby unable to do any work, shall

BURNS

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What is the nature of that association?

A. That is a copy of the Constitution.

Q. MEMBER: This is Constitution and By-laws of the

Monarch Employees Relief Association of Burnsville.

Q. MEMBER: Constitution and By-laws of the
Monarch Employees Relief Association
of Burnsville.

Q. Now, is this in existence now and functioning?

A. Yes.

Q. Who are the executive officers of the Association?

A. I could not say who they were.

Q. MEMBER: I notice it is a Relief Association

Q. MEMBER: What is the object of this Association?

A. I think the principal object of it is to help employees

meets with any serious illness or some unfortunate thing

happens to them that they need financial assistance

then they are entitled I think - is it \$5.00 a week?

It mentions it in the By-laws and this committee and

officers are set up by the employees.

Q. I notice the objects are contained in paragraphs

2 and 3:

"2. The object of the Association shall

be to provide for the benefit and relief of the

Employees of the Monarch Mining Company,

Limited, of Burnsville.

"3. It is intended that employees who

meet with accident or sickness, and who

are thereby unable to do any work, shall

9206

Burns

participate in the benefits of the funds of the Association, but it is distinctly understood and intended that any Member who may meet with accident or sickness arising from intemperance or from a dissolute or immoral life or from living in an unsanitary condition shall not be entitled to any benefits whatsoever."

And the dues, paragraph 7 deals with them:

"7. Every member shall be assessed 25¢ a month, and assessments shall become due the end of the first week of every month. For the convenience of Employees the office has been requested to deduct 25 cents from each employee's pay for the first pay day in each month."

Do you do that - deduct 25 cents from each employee's pay for the first pay day in each month? A. Yes.

Q. Does the Company contribute to the funds of this Association? A. For the first two or three years after they started the Company contributed a certain amount each month.

Q. How much? A. \$25.00 a month.

Q. The Company contributed \$25.00 a month? A. Yes, I think for about two years and a half, if I have it correctly, until they got so that they could finance themselves.

Q. Now, the Company since that time has contributed nothing? A. I think once.

Burns 3208

participate in the benefits of the funds of the
Association, but it is distinctly understood
and intended that any Member who may meet with
accident or sickness during his life shall be
or from a disfigurement or immoral life or from
living in an unsanitary condition shall not be
entitled to any benefits whatsoever.

And the does, paragraph 7 deals with them:

"7. Every member shall be assessed \$24
a month, and assessments shall become
due the end of the first week of every
month. For the convenience of employees the
office has been requested to deduct 25 cents
from each employee's pay for the first pay
day in each month."

Do you do that - deduct 25 cents from each employee's
pay for the first pay day in each month? A. Yes.

Does the Company contribute to the funds of this
Association? A. For the first two or three
years after they started the company contributed a
certain amount each month.

How much? A. \$25.00 a month.
The Company contributed \$25.00 a month? A. Yes.
I think for about two years and a half, if I have it
correctly, until they got so that they could finance
themselves.

Company since that time has contributed
nothing?

Q. After this Association got strong enough to travel protection was taken off? A. No.

I would like to correct that, I think once I remember, I think it was through the flu epidemic or something at that time their funds got greatly depleted and I think we put up either \$200 or \$250.

Q. Since 1930 has the Company been contributing anything to this Association? A. I don't think so.

Q. The "purpose of funds":

"12. All moneys shall be deemed a Trust Fund for the payment of accident and sick benefits. The Funds of the Association shall not be applied for the relief or benefit of any person or persons (or of the families of any persons) except those in the employ of the Monarch Knitting Company, and no appropriation shall be made for relief except in actual cases of sickness, accident or distress."

"13. This fund, or any portion thereof, shall be disbursed only upon being signed by the President, or in his absence by the Vice-President."

"Sick benefits,

A member who is taken sick or meets with an accident, so as to incapacitate him from any work, must be out two weeks to draw two weeks benefits, as we do not pay for the first week unless out for the second week.

Q. After this Association got strong enough to
travel protection was taken off?
A. No.
I would like to correct that, I think once I remember
I think it was through the flu epidemic or something
at that time their funds got greatly depleted and
I think we put up either \$500 or \$600.
Q. Since 1920 has the Company been contributing
anything to this Association?
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by the President, or in his absence by the
Vice-President."
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accident, so as to incapacitate him from any work,
must be out two weeks to draw two weeks benefit,
as we do not pay for the first week unless that
for the purpose of

9208

Burns

"18. The amount that a member shall receive as sick benefits shall be at the rate of \$5.00 per week for a six day week.

19. No member shall receive more than six weeks' benefit for accident or sickness during any twelve consecutive months."

Do you know anything about the financial condition of this fund now? A. No, I don't.

Q. How much they have disbursed for sickness among the employees or how their funds stand? A. I did have a figure in connection with that. No, I have not. It is quite a considerable amount, I don't recall it.

Q. Well, this Association does not in any way deal with wages? A. I don't think that they discussed that but at their Annual meeting they would have an opportunity if they wanted to take up anything.

Q. It is not an association that is organized for the purpose of in any sense arbitrating rates of wages or piece-rate work or anything of that sort between employees and the mill? A. No, I do not think there is anything mentioned in the by-laws about that.

Q. It does not function in that way? A. No.

Q. Is it a voluntary association? A. I understand it applies to all employees of the Monarch Knitting Company and any new employees would come under that also.

Burns

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"18. The amount that a member shall receive as sick benefits shall be at the rate of \$5.00 per week for a six day week.

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19. No member shall receive more than six weeks' benefit for accident or sickness during any twelve consecutive months.

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there is anything mentioned in the by-laws about that.

It does not function in that way? A. No.

Is it a voluntary association? A. I

understand it applies to employees of the Knitting

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Knitting Company and any new employees would come

under that also.

9209

Burns

Q. What is your attitude toward a labour union organizing among your employees?

A. I have never given it any thought, we have never had any labour troubles in the thirty-three years we are in business and I think the employees feel we are very much interested in their welfare and I would have no objection to our own employees forming a union among themselves.

Q. Well, have you objected to them joining a union organized nationally, we will say?

A. Well, the only Textile unions that I know of is one that overruns Canada from the United States and they send agitators over.

Q. What do you mean by an agitator?

A. An agitator is a man that goes to a town I would say and strives to form a union and collects \$5 or \$10 from each employee and then if he cannot find some reason to start a strike why he goes off with this two or three thousand dollars. That is the way it has been explained to me. They have not the employees at heart, they are thinking about their own welfare; that is my understanding.

Q. That probably you are not very familiar with?

A. No, I am not. It is just I have the idea.

Q. But what is your attitude towards collective bargaining - that is agreeing with employees collectively?

A. Absolutely, I would be satisfied to sit down with our employees at any time.

9303
BUTTS

organizing among your employees?
I have never given it any thought, we have never had any
labour troubles in the thirty-three years we are in
business and I think the employees feel we are very
much interested in their welfare and I would have no
objection to our own employees forming a union among
themselves.

Well, have you objected to them joining a union
organized nationally, we will say?
Well, the only textile unions that I know of is one that
overruns Canada from the United States and they send
agitators over.

What do you mean by an agitator?
An agitator is a man that goes to a town I would say
and strives to form a union and collects \$5 or \$10
from each employee and then if he cannot find some
reason to start a strike why he goes off with this
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But what is your attitude towards collective

organizing - that is agreeing with employees

collectively?
Absolutely, I would be willing

to sit down with our employees at any time.

9210

Burns

Q. And bargain with your own mill employees?

A. Yes.

Q. As a shop union, so to speak? A. Yes, of

our own employees.

Q. What is your attitude toward them belonging to an organized union outside of your mill? A. Well, I have not given that any consideration because such a thing has never arisen.

Q. I want to know what your view is in respect to it. You must have one? A. That would be difficult for me to determine what my view would be unless I knew all the circumstances surrounding it.

Q. I show you a letter from Douglas Hallam to the Monarch Knitting Company dated April 10th, 1935, in regard to the "Industrial Standards Bill".

EXHIBIT 687: Copy of letter dated April 10th, 1935, from Douglas Hallam, to the Monarch Knitting Company re Industrial Standards Bill.

Q. It is headed: Industrial Standards Bill (Ontario.)

"This Bill, which is now before the Legislature, provides in effect that the Minister of Labor, upon petition of employees or employers of any industry, may call a conference of such employees or employers for the purpose of negotiating a standard or uniform rates of wages and hours of labor, and that when those in attendance agree in writing upon a schedule of wages and hours

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I have not given the any consideration because there
a thing has never arisen.

I want to know what your view is in respect to
difficult for me to determine what my view would be
unless I knew all the circumstances surrounding it.
I show you a letter from Douglas William to
the Monarch Knitting Company dated April 1935, 1935,
in regard to the Industrial Standards Bill.

EXHIBIT 607
Copy of letter dated April 1935,
1935, from Douglas William, to the
Monarch Knitting Company re In-
dustrial Standards Bill.

It is needed:

"This Bill, which is now before the House
of Labor, provides in effect that the Minister
of Labor, upon petition of employers or employees
of any industry, may call a conference of such em-
ployers or employees for the purpose of negotiating
standards or minimum rates of wages and hours
of labor, and that when those in the industry
are in striking action a conference of such em-

of labour, the Minister of Labor, if satisfied
that the agreement is approved by a "proper and
sufficient" representation of the interested
parties, may by Order-in-Council make the
agreement binding by law on all within the
industry for a period of twelve months.

The Bill defines "Association of Employees"
as "a group organized for the purpose of advancing
their economic conditions and which is free from
undue influence, domination, restraint or
interference by employers."

Your Executive feels that this Bill will
provide for collective bargaining between groups
of employers and "Associations of Employees",
otherwise known as Trades Unions, and that works
councils, shop committees, etc. will not come
within the above definition. The Executive
desire, therefore, to bring to your attention
the following points:

1. Employers are legally responsible for
violations of agreements. Trades Unions are not,
and, therefore, employers should neither be
forced nor expected to enter into agreements
with organizations which have no legal
responsibility for violations thereof.

2. That the state should not be used
even to invite responsible organizations to con-
tract with those immune from responsibility.

of labour, the Minister of Labour, if satisfied
that the agreement is approved by a "proper
sufficient" representation of the interested
parties, may by Order-in-Council make the
agreement binding by law on all within the
industry for a period of twelve months.

The Bill defines "Association of Employees
as a group organized for the purpose of advancing
the interests of employees in which is the
exercise of influence, domination, restriction or
interference by employers."

Your Ex. clause feels that this Bill will
provide for collective bargaining between groups
of employees and employers in industry,
otherwise known as Trade Unions, and that workers
councils, shop committees, etc. will not come
within the above definition. The Executive
desire, therefore, to bring to your attention
the following points:

1. Employees are legally responsible for
violations of laws which unions are
and, therefore, employers should neither be
forced nor expected to enter into agreements
with organizations which have no legal
responsibility for violations thereof.
2. That the state should not be used
even to invite responsible organizations to
direct their efforts towards the

"3. That employees should be free to join works councils, trades unions, or to bargain individually with employers.

Undue influence or interference with labour relations by employers, trade unions or anyone else should not be tolerated.

4. That to discourage works councils, shop committees, and employer-employee co-operation generally and force employees into trades unions is a retrograde step.

This measure is more fully dealt with in a circular issued on the 27th of March by the Canadian Manufacturers' Association.

Your Executive suggests that you place your views before the Prime Minister, Hon. Mitchell F. Hepburn, and the Member representing your Constituency in the Ontario Legislature."

Q. Did you have any views on the subject, Mr. Burns?

A. Apparently not because I wrote on the corner of it "File"... Apparently I did not pay any attention.

Q. You must know whether you had any views in regard to the Industrial Standards Act? A. No, our situation was not affected by anything of the kind.

Q. You did nothing about it? A. No.

Q. Did you attend executive meetings or anything of the sort? A. I don't ever remember any

3. That employees should be free to

join works councils, trades unions, or to

bargain individually with employers.

Undue influence or interference with labour

relations by employers, trade unions or

anyone else should not be tolerated.

4. That to discourage works councils,

trades unions, or employees bargaining

individually and force employees into trade

unions is a retrograde step.

This measure is more fully dealt with in

a circular issued on the 27th of March by the

Ontario Labour Relations Board.

Your Executive suggests that you place

the above before the Joint Committee.

Mitchell T. Hoppman, and the member representing

your constituency in the Ontario Legislature.

5. Did you have any views on the subject, Mr.

Burns?

A. Apparently not because I wrote on

the corner of it "No".

6. You must know whether you had any views in

relation to the Legislature.

Our attention was not attracted by anything of the

kind.

7. You did nothing about it?

A. No.

8. Did you attend executive meetings or anything

of the sort?

A. I don't even remember any

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Burns

executive meeting I attended when that was discussed.

A. Well then, I show you a copy of a letter dated June 1, 1935 from yourself to Mr. Hallam.

5 EXHIBIT 688: Copy of letter from J.A. Burns, to Major Hallam, dated June 1, 1935.

Q. The letter reads as follows:

10 "At our meeting in Toronto this week there was some discussion in regard to getting publicity for the Textile Industry, and in looking over the 1935 Manual of the Textile Industry of Canada which has just been published, it occurred to me that it might be a good idea for you to write to the plants in the various towns and cities and suggest that they have their local papers publish the write-up that is contained in the Textile Manual. We propose doing it in connection with our plant here.

15 If this is published in the local papers, it will at least give the people of that community an idea of the importance of the industry. I think this is worth while for you to consider carefully as we are looking for publicity for our Industry and, no doubt, the local press would be very glad to publish this without any cost."

20 "P.S. What I have reference to is the publication in each town of the write-up in connection with the particular industry or industries in that town. We propose having

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...ative meeting I attended when that was discussed

... well then, I show you a copy of a letter

... from the ...

... to Major Hallam, dated June 1, 1933.

4. The letter reads as follows:

"At our meeting in Toronto this week

there was some discussion in regard to getting

publicity for the Textile Industry, and it is

over the 1933 Manual of the Textile Industry

of Canada which has just been published, it

occurred to me that it might be a good idea

to write to the plants in the various towns

and cities and suggest that they have their

local papers publish the write-up that is

contained in the Textile Manual. We propose

doing it in connection with our plant news.

If this is published in the local papers

it will at least give the people of that

community an idea of the importance of the

industry. I think this is worth while for

to consider carefully as we are looking for

publicity for our industry and, no doubt,

the local press would be very glad to publish

this without any cost."

"P.S. that I have reference to is the

publication in each town of the write-up in

connection with the ...

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published in our Dunnville paper the write-ups in connection with the Dunnville, St. Thomas and St. Catharines plants of the Monarch Knitting Company."

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Q. I suppose the reason that you were embarking on this publicity programme at this time was on account of the election? A. Well, I would not

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say that. The object was to give the people that lived in these communities some idea, some conception of the value of that industry to their localities.

Q. Well, I am not criticising that? A. It was published in the paper.

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Q. And what you had in mind was that they would have that in mind in view of the approaching election?

A. Was not that 1934?

Q. No, that is 1935.

A. No, I thought you read 1934.

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Q. And then I notice that you were a recipient of a set of Study Club Notes. You were a member of Parliament or in what group down at Parliament were you? Mr. Hallam led us to believe these were prepared for use in Parliament. I show you a

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letter from Mr. Hallam to yourself dated 7th June, 1935, about seven days after this letter: "Enclosed is a set of 'Study Club Notes'. These may contain information to you e--"

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A. What date is that?

Q. June 7th, 1935.

A. It is quite interesting.

Q. Did you organize a study club down here?

A. No, if I remember correctly, that was given to the local press. I think perhaps it was.

5 Q. Now, come to Exhibit 682 which is a little folder that Mrs. Collard says was placed in her pay envelope? A. I never saw it before in my life.

Q. You say you never saw it? A. No.

10 Q. It was all done without your knowledge at all?

A. I doubt very much if it was ever put in her pay envelope, I heard that witness say so but if it was I have no knowledge of it, and I would not think they would do a thing like that without consulting me.

15 Q. No knowledge of this being put in the pay envelopes at all? A. No.

20 Q. Was it not as a fact put in the pay envelopes in your mill over at St. Catharines as well?

A. I don't think so.

Q. You never heard of it? A. I had not any recollection of seeing that before.

25 Q. Oh, do a little thinking. Did you ever hear of anything being put in your pay envelopes?

A. Nothing of this kind.

Q. No, anything of the nature of publicity?

A. Nothing in the nature of politics.

30 Q. You never heard of anything in the nature of politics being put in your pay envelopes? A. No, sir.

Q. Did you organize a study club down here?
A. No, if I remember correctly, that was given to
the local press. I think perhaps it was.
Q. Now, come to Exhibit 688 which is a little
folder that Mrs. Colford says was placed in her
envelope? I never saw it before in my
life.
Q. You say you never saw it?
A. It was all done without your knowledge at a
I doubt very much if it was ever put in her
pay envelope, I heard that witness say so but if
was I have no knowledge of it, and I would not
they would do a thing like that without consulting
me.
Q. No knowledge of this being put in the pay en-
velope? A. No.
Q. Was it not as a fact put in the pay envelope
in your will over at St. Catharines as well?
A. I don't think so.
Q. You never heard of it? I had not
recollection of seeing that before.
Q. Oh, do a little thinking. Did you ever
of anything being put in your pay envelopes?
A. Nothing of this kind.
Q. No, anything of the nature of publicity?
Nothing in the nature of publicity.
Q. You never heard of anything in the nature
of publicity being put in your pay envelopes?

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Burns

Q. Do you not remember a few years ago when there was a cut in wages of a slip being put in the pay envelope that was on account of the reduction in tariff? A. I had no recollection of that at all.

Q. Well, can you think back a bit now and say that that was not done? A. No, I would say that I had no recollection of it being done. How many years ago?

Q. Oh, a few years ago and there was some reduction in the tariff which probably did not even affect your mill.

MR. KELLOCK: You are suggesting the witness has misrepresented the situation then in the folder he put in, is that it?

MR. McRUER: Q. What about it? Will you say there was not such a slip put in the pay envelope that the cut in wages was brought about on account of reduction in tariff? A. I have certainly no knowledge of such a thing being put in our pay envelopes.

Q. Well, at any rate, we have Mrs. Collard's statement about this and she swears positively a pamphlet was put in her pay envelope. A. Yes.

THE COMMISSIONER: Who handed her her pay envelope?

MR. McRUER: She did not say.

THE COMMISSIONER: Mr. Burns would know.

THE WITNESS: The foreman of her department.

Q. Do you not remember a few years ago when there was a cut in wages of a slip being put in the pay envelope that was on account of the reduction in

tariff? A. I had no recollection of that at

Q. Well, can you think back a bit now and say

that I had no recollection of it being done. How

many years ago?

A. Oh, a few years ago and there was some reduction

in the tariff which probably did not even affect

MR. KILLOCK: You are suggesting the witness has

misrepresented the situation then in the folder he

put in, is that it?

MR. McHUGH: What about it? Will you say

there was not such a slip put in the pay envelope

that the cut in wages was brought about on account

of reduction in tariff? A. I have certain

no knowledge of such a thing being put in our pay

A. Well, at any rate, we have Mrs. Colford's asse-

ment about this and she swears positively a pamphlet

was put in her pay envelope. A. Yes.

THE COMMISSIONER: Who handed her her pay envelope?

MR. McHUGH: She did not say.

THE COMMISSIONER: Mr. Byrne would know.

THE WITNESS: The Chairman of her department.

BY THE COMMISSIONER: Q. He would get the pay envelopes some place else? A. Yes, direct from the pay master.

5 MR. McRUER: Q. The pay envelope would be sealed when it came to the foreman of the Department?

A. Yes.

Q. So that you are not giving out envelopes that are open for any person that handles them?

10 A. No.

THE COMMISSIONER: He says the foreman gets them from the paymaster.

MR. McRUER: Q. So that it would be your paymaster that would be responsible for them? A. Yes, 15 he would be the one that would have knowledge of it.

Q. At any rate, I want to ask you about this statement that is contained in here: It says:

20 "Thirty Years Ago the Liberal Government reduced existing tariff rates and many spinners, weavers, and dyers were thrown out of jobs, many lost their homes, many had to emigrate, the Ontario villages and towns that live upon the Textile Industry were sent into decay."

25 Now, that would be about the year 1906, thirty years ago that was at the precise time that your investment of \$7,500 was multiplied into \$750,000, so that would be a very unfair and untruthful statement to present 30 to Textile workers at the present time, would not it? Textile workers in Dunnville? A. That has no

BY THE COMMISSIONER: Q. He would get the pay
envelopes some place else? A. Yes, direct from
the pay master.
Q. Now, the pay envelope would be sent
when it came to the foreman of the department?
A. Yes.
Q. So that you are not giving out envelopes
are open for any person that handles them?
A. No.
THE COMMISSIONER: He says the foreman gets it
from the paymaster.
MR. MORRIS: Q. So that it would be your pay
he would be the one that would have knowledge of
it. At any rate, I want to ask you about this
statement that is contained in here: It says:
"There were no silk spinners,
existing tariff rates and many spinners,
weavers, and dyers were thrown out of jobs,
many lost their homes, many had to emigrate,
the Ontario villages and towns that live upon
the textile industry were sent into decay."
Now, that would be about the year 1900, thirty years
that was at the precise time that your investment
of \$7,500 was multiplied into \$750,000, so that you
be a very small and insignificant amount in comparison
to textile workers at the present time, would not
that be a very small and insignificant amount in comparison

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Burns

reference to the class of merchandise that we manufacture.

5 Q. I say, if such a statement was put in the envelope of the workers in Dunnville, it would be grossly unfair and untruthful statement in respect to the class of merchandise that the Dunnville Company was manufacturing 30 years ago? A. That specified the kind of merchandise that is referred to and we did not make that kind.

10 Q. I am talking of what the ordinary employee would gather from reading this, getting it out of her pay envelope or his pay envelope, and it would certainly, do you not think, be grossly unfair and misleading? A. I admit, sir, that is pretty hot stuff and I would be prepared to remember it if I ever read it.

15 Q. It goes on to say:

20 "Five years ago, a Conservative Government gave adequate protection to the Textile Industry and spinners were called back to their spinning frames, weavers to their looms, and dyers to their dye-tubs. The pay rolls circulated in the textile towns of Ontario and gave business to retailers and professional men."

25 As a matter of fact, you particular pay rolls were not increased? A. Oh, yes, they were.

30 Quarter 1930? A. Yes, sir.

Q. Do you say--- A. Very substantially.

Q. Now

reference to the class of merchandise that we

merchandise.

A. I say, if such a statement was put in the

scope of the workers in Dunnville, it would be

grossly unfair and untruthful statement in respect

to the class of merchandise that the Dunnville

Company was manufacturing 30 years ago? A. In

specified the kind of merchandise that is referred

to and the fact was that

Q. I am talking of what the ordinary employe

could get from reading this, getting it out of

any envelope or his pay envelope, and it would be

certainly, do you not think, be grossly unfair and

untrue?

Not at all and I would be prepared to remember it

if I ever read it.

Q. It goes on to say

"Fifty years ago, conservative Government

have adequate protection to the textile industry

and spinners were called back to their spinning

frames, weavers to their looms, and dyers to

their dye-labs. The pay rolls circulated in

the textile towns of Ontario and gave business

to retailers and professional men."

Q. A matter of fact, you particular pay rolls were

not increased? A. Yes, they were.

Q. Yes, sir.

Q. Do you say---

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Q. Do you say that your pay roll was higher after 1930 than it was before? A. I have not that information.

Q. But I have.

MR. KELLOCK: Yes, it is in.

THE WITNESS: Our pay roll in 1931 was \$340,000 and jumped up to \$390,000 last year.

Q. I am talking of 1930 - that is, when they were called back to the looms, according to this and we have ---

MR. KELLOCK: It was bigger in 1931 than in 1928.

MR. McRUER: Q. We had exactly the same number of mill workers in 1935 as there was in 1926, which is taken by all authorities pretty much as the standard year? A. Excuse me, I have a figure for the St. Catharines plant, the pay roll there.

Q. I am dealing with the pay roll in Dunnville?

A. \$177,000 and jumped up to \$229,000 next year.

Q. I am dealing with the pay roll in Dunnville

at the present time? A. The Dunnville pay roll?

Q. Yes, your pay roll in Dunnville in 1930 was

\$68,000 - that is the ones under \$1,000 - in 1935

\$371,000? A. \$391,000 in 1935.

Q. However, we can argue that later on.

MR. KELLOCK: Those figures you gave are all mills?

MR. McRUER: No, just the Dunnville mill. There is no use arguing that further? A. We added

Q. Do you say that your pay roll was higher at
1930 than it was before? A. I have not that
information.
Q. Now I have.
MR. KELLICK: Yes, it is in.
THE WITNESS: Our pay roll in 1931 was \$340,000
and jumped up to \$380,000 last year.
Q. I am talking of 1930 - that is, when they
called back to the looms, according to this and we
have ---
MR. KELLICK: It was higher in 1931 than in 1930.
MR. MOORE: Q. We had exactly the same number
of mill workers in 1930 as there was in 1928,
which is taken by all authorities pretty much as
standard year? A. Excuse me, I have a
figure for the St. Catharines plant, the pay roll
there.
Q. I am dealing with the pay roll in Dunnville?
A. \$177,000 and jumped up to \$229,000 next year.
Q. I am dealing with the pay roll in Dunnville
at the present time? A. The Dunnville pay
roll, yes, your pay roll in Dunnville in 1930 was
\$28,000 - that is the one under \$1,000 - in 1930
\$271,000? A. \$281,000 in 1930.
Q. However, we can argue that later on.
MR. KELLICK: Those figures you gave are all
MR. MOORE: No, just the Dunnville mill. Then

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60 more employees to Dunnville in that period from 1931 to 1935.

5 Q. I am taking 1930. 1930 was the last year of the Liberal Government? A. Oh, I did not know you were talking politics.

Q. I am not talking politics, I am talking about what this said - This is between 1930 and 1935? A. Yes.

10 Q. Now, you understand that - why do you take 1931 as the year? A. I just happened to have that figure.

15 Q. This says: "Five years ago a Conservative Government gave adequate protection to the Textile Industry and spinners were called back to their spinning frames, weavers to their looms, and dyers to their dye-tubs. The pay rolls circulated in the Textile towns of Ontario and gave business to retailers and professional men. All I am getting at is whether there was an increase between 1930 and 1935?

20 A. Well, there was, very substantial.

25 Q. In your mill? A. Yes, about 60 employees between 1931 and 1935.

Q. Oh, I am talking about 1930? A. I have not the figure for 1930.

30 Q. Oh, that makes a big difference. You can take 1933 - I am talking about under the previous tariff what the pay roll was and what it was after.

MR. KELLOCK: All right, it was put in yesterday.

Burns

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80 more employees to Dunnville in that period from
1931 to 1935.

"I am taking 1930. 1930 was the last year
the Liberal Government? A. Oh, I did not know

"I am not talking politics, I am talking about
that this said - This is between 1930 and 1935?

"Now, you understand that - why do you take
1931 as the year? A. I just happened to

"This says: Five years ago a Conservative
Government gave adequate protection to the Textile

Industry and spinners were called back to their spindles,
weavers to their looms, and dyers to their

The pay roll circulated in the Textile
towns of Ontario and gave business to retailers and

professional men. All I am getting at is whether
there was an increase between 1930 and 1935?

A. Well, there was, very substantial.
In your mill? A. Yes, about 30 employees

between 1931 and 1935.
Oh, I am talking about 1935? A. I have
not the figure for 1930.
Oh, that makes a big difference. You can
take 1935 - I am talking about under the previous
year? What the pay roll was and what it was after.
Well, all right, it was put in yesterday.

In 1930 was \$431,000 and 1935 \$445,000, which was an increase. No use badgering the witness.

MR. McRUER: No, I am not badgering the witness.

The witness insists on taking two different periods when the tariff policy was in effect. All right.

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(Page 9222 follows)

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an increase. No use badgering the witness.

MR. MORRIS: No, I am not badgering the witness.

The witness insists on asking two different periods

when the tariff policy was in effect. All right.

(Same facts follow)

CROSS-EXAMINATION BY MR. KELLOCK

5 . Mr. Burns, my friend went into to a considerable extent the history of your organization, going back to the early days, and helaid a great deal of stress on the \$7,500 which you three men started off with in those days and he brought out from you that you were the mill man, Mr. Orme was the salesman. What part did Mr. Lalor have in the carrying on of the business?

10 A. Mr. Lalor's time was occupied with some other businesses that he was associated with and he was always available for consultation on any important matters of policy but did not take any active part in the business.

15 Q. And was Mr. Lalor a man of substance?

 A. Yes, sir.

 Q. To what extent, generally speaking? A. I could not say.

20 Q. I do not mean dollars but did he have other interests of a substantial character? A. He owned a drygoods business here and owned a canning factory and evaporator.

 MR. McRUER: And a member of Parliament of too?

25 A. Not at that time.

 MR. KELLOCK: I am not speaking of that. That does not make a man of substance;

30 MR. McRUER: Well, it is an endorsation, at any rate.

 MR. KELLOCK: He was interested then in a large

able extent the history of your organization, going back to the early days, and held a great deal of stress on the \$7,500 which you three men started off with in those days and he brought out from you that were the mill men, Mr. Orme was the mill man. That was Mr. Lator have in the carrying on of the business? Mr. Lator's time was occupied with some other businesses that he was associated with and he was always available for consultation on any important matters of policy but did not take any active part in the business.

Q. And was Mr. Lator a man of substance?
A. Yes, sir.
Q. To what extent, generally speaking?
A. I do not say.

Q. I do not mean dollars but did he have other interests of a substantial character?
A. He owned a drygoods business here and owned a coal mine and a factory and evaporator.

Q. Was a member of parliament at that time?
A. Not at that time.
Q. MR. BRYDIE: I am not speaking of that. The fact not make a man of substance?

Q. MR. BRYDIE: Well, it is an endorsement, as you say, that he was interested in a large

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Burns, by
Mr. Kellock

way in other enterprises? A. Yes, sir.

Q. Was he paid anything in those early days out of the business? A. He never drew anything out of the business until he was appointed in 1912.

Q. That is, when this present company was organized? A. Yes, and then he was given a salary. He never drew anything before that.

Q. And it was by reason of Mr. Lalor you said that you were able to arrange ---

THE COMMISSIONER: Pardon me, - never drew anything either in the way of dividends or any other way?

MR. KELLOCK: Either in the way of profits between 1903 and 1908.

THE COMMISSIONER: I asked that because you have a partnership in 1903 and you have a company in 1908 and you jumped from 1903 to 1911.

MR. KELLOCK: Q. From 1903 to 1908, that is the period covered by your partnership, did Mr. Lalor draw anything out of the business either by way of profits or salaries in that period? A. No, sir.

Q. Then you organized your first company in 1908? A. Yes, sir.

Q. And that carried on until the present company organized in 1912? A. Yes.

Q. In that period was Mr. Lalor paid any salary? A. No salary.

Q. Did he receive dividends? A. Yes, during that period we paid out \$56,000 in dividends and

Mr. Kelly
Burns, D.

Q. Was he paid anything in those early days of the business?

A. Yes, and then he was given a salary. He never drew anything out of the business until he was appointed in 1912.

Q. That is, when this present company was organized?

A. Yes, and then he was given a salary. He never drew anything before that.

Q. And it was by reason of Mr. Lator you said you were able to arrange ---

THE COMMISSIONER: Pardon me, - never drew any at that in the way of dividends or any other way?

MR. KELLY: Mr. Lator in the way of profits before 1908 and 1909.

THE COMMISSIONER: I asked that because you had a partnership in 1908 and you have a company in 1911 and you jumped from 1908 to 1911.

MR. KELLY: Q. From 1908 to 1909, that is a period covered by your partnership, did Mr. Lator draw anything out of the business either by way of profits or salaries in that period?

A. No, sir.

Q. Then you organized your first company in 1911?

A. Yes, sir.

Q. And that carried on until the present company organized in 1912?

A. Yes.

Q. In that period was Mr. Lator paid any salary?

A. No salary.

Q. Did he receive dividends?

A. Yes, but that period we paid out \$26,000 in dividends and

I think is nearly 9224. Mr. Burns,
two-fifths of that would be his.

Q. Then your earlier statement is to be corrected
that he drew no salary or profit up to 1908 and drew
no salary from 1908 to 1912 but as a shareholder he
drew whatever dividends were paid? A. Yes, sir.

Q. And you say the dividends paid from 1908 to
1911 amounted to \$56,000? A. Yes.

Q. Then it went was by reason of Mr. Lalor's
substance that you were able to arrange your accommo-
dation with the bank? A. Yes, sir.

Q. And did you have substantial accommodation right
from the beginning? A. I think our first loans
was \$25,000.

Q. And did it go up or go down? A. It went
up that year, our application, and sometimes in the
middle of the year and other times we would go to the
bank and ask for more money.

Q. And during the course of the years from 1903
to 1935 did you get anything by way of loans from
the Bank? A. For a good many years we had
a line of credit of \$1,000,000 from the bank.

Q. And is it or is not it the fact that any money
you were able to borrow from the bank you used in
your business for the purpose of making profits in
the same way you used your \$7,500? A. Yes, sir.

Q. You used it for the same purpose? A. Yes, sir.

Q. And is it true or fair then to say you earned
whatever profit you made on this company on an
original investment of \$7,500?

two-fifths of that would be his.
.. Then your earlier statement is to be correct
that he drew no salary or profit up to 1908 and drew
no salary from 1908 to 1912 but as a shareholder he
drew whatever dividends were paid?
A. Yes, sir.
.. And you say the dividends paid from 1908 to
1911 amounted to \$50,000?
A. Yes.
.. Then it was by reason of Mr. Lator's
substance that you were able to arrange your accom-
modation with the bank?
A. Yes, sir.
.. And did you have substantial accommodation ri-
from the beginning?
A. I think our first loan
was \$25,000.
.. And did it go up or go down?
A. It went
up that year, our application, and sometimes in the
middle of the year and other times we would go to the
bank and ask for more money.
.. And during the course of the years from 1903
to 1935 did you get anything by way of loans from
the Bank?
A. For a good many years we had
a line of credit of \$1,000,000 from the bank.
.. And is it or is not it the fact that any more
you were able to borrow from the bank you used in
your business for the purpose of operating until it is
.. Yes, sir.
.. You used it for the same purpose?
A. Yes.
.. And is it true or false then to say you earned

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A. I think it hardly the right interpretation of it.

MR. McRUER: Q. You would pay interest to the bank?

A. Yes.

MR. KELLOCK: Q. I suppose, Mr. Burns, that the money that you did borrow from the bank from time to time you knew when you borrowed it you were going to have to pay the bank for it? A. Yes, sir.

Q. And you knew with your knowledge and industry you could make and honor what you were going to have to pay the bank, but some profit for yourselves?

A. We hoped for it.

Q. And did you have to work hard in the early days or just have to sit down and let \$7,500 work for it?

A. Well, I would rather somebody else say. Well, there is nobody around that knows about it. Yes, it was a slaves job, nights and days and Sundays.

Q. In that period 1903 on until away down to modern times were there other people who started in the business beside yourselves in that period that you know of?

A. Oh, quite a large number of firms were in business.

Q. Were they equally successful with you?

A. Well, there was six other ones started in Dunnville. In fact, there was one here when we came, the Imperial Knitting Company. It went out of business. They sold out to the Coop Knitting Company. Mr. Coop is an Englishman that came in and started into the business.

Q. Without going into much details, can you tell me

9828

MR. McHUGH: 1. You would pay interest to the bank

Yes.

money that you did borrow from the bank from time to time
you knew when you borrowed it you were going to have
pay the bank for it? A. Yes, sir.

4. And you knew with your knowledge and industry
you could make and honor what you were going to have
to pay the bank, was that right for your business?
A. We hoped for it.

5. And did you have to work hard in the early days
of your business? A. Well, I would rather somebody else say.
Well, there is nobody around that knows about it. Yes,
it was a slaves' job, nights and days and Sundays.

6. In that period 1908 on until way down to
modern times were there other people who started in
the business beside yourselves in that period that
you know of? A. Oh, quite a large number of them
were in business.

7. Were they equally successful with you?
A. Well, there was six other ones started in Dunn
In fact, there was one here when we came, the large
Knitting Company. It went out of business. They
sold out to the Coop Knitting Company. Mr. Coop
is an Englishman that came in and started into the
business.

8. Without going into much details, can you tell

9226

Burns,

whether or not those six units you speak of, whether they were successful or not? A. No, they all passed out.

BY THE COMMISSIONER: Q. Were they all in Dunnville?

5 A. Yes.

MR. KELLOCK: Q. What enabled you, apart from your knowledge of the industry and the experience that you gained as you went along and your hard work and your ability to borrow from the bank, what enabled you to make your business a success? A. Well, we made style merchandise.

10 Q. What do you mean by that? A. That was style merchandise for ladies particularly, and, of course, it was profitable and had to be profitable on account of the hazards.

15 Q. Did you create those styles yourself? A. I helped to and we had connections in New York and connections in the Old Country and Continental Europe where we used to get all kinds of information from. We tried to keep at least a year ahead of our opposition, and that is the way we made our money.

20 Q. And were you able to make more money on a proposition of that kind than simply by selling sweaters as sweaters? A. Yes. You had to make more on account of the hazards in manufacturing style merchandise?

25 Q. What is the hazard? A. You did not know when the style would change and if it did change when you had a large quantity on hand you would have to

30

whether or not those six units you speak of, whether
they were successful or not? A. No, they all pos-

BY THE COMMISSIONER: ... were they all in Canada?
A. Yes.

MR. KELLICK: Q. What enabled you, apart from your
knowledge of the industry and the experience that you
gained as you went along and your hard work and your
ability to borrow from the bank, what enabled you

Q. What do you mean by that? A. That was sty-
merchandise for ladies particularly, and, of course,
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connections in the Old Country and Continental Europe

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and that is the way we made our money.

A. And were you able to make more money on a
proposition of that kind than simply by selling sweaters?
A. Yes. You had to make more

on account of merchandise in manufacturing style merchan-
Q. What is the hazard? A. You did not know

and the style would change and it did change when

sacrifice in order to sell a garment that was not stylish.

Q. Instead of making a profit you would make a loss?

A. Yes, we did not always guess right.

Q. To what extent is that true to-day? A. Well, we try to carry out the same policy as much as we can, but we are very much larger manufacturers of staple articles to-day than we were in those days.

Q. You are not able to rely on the marketing of style merchandise to the same proportion of your business to-day as you were in the earlier days?

A. No, in good times there is a better demand for that type of merchandise.

Q. Now, will you tell his lordship from 1908 until the new company was incorporated at the end of 1911 and beginning of 1912 what the profits were which the business earned in that period? A. The profits in that time were \$587,634.

Q. And as you said you paid out---

THE COMMISSIONER: That is between 1908 and ---

MR. KELLOCK: And the beginning of 1912, my lord.

Q. That is \$587,000 and you paid out in that period dividends to the extent of \$56,000 only. So that you allowed some \$531,000 to remain in the business? A. Yes, sir.

Q. What did you do with that? A. Spent it on up-to-date machinery and up-to-date equipment trying to improve our production in various ways.

BURNS

9887

assortment in order to sell a garment that was not

regular.

Q. Instead of making a profit you would make a loss.

A. Yes, we did not always guess right.

Q. To what extent is that true to-day? A. Well,

we try to carry out the same policy as much as we can

but we are very much larger manufacturers of staple

articles to-day than we were in those days.

Q. You are not able to rely on the marketing of

style merchandise to the same proportion of your

business to-day as you were in the earlier days?

A. No, in good times there is a better demand for that

type of merchandise.

Q. Now, will you tell me the loss from 1908

until the new company was incorporated at the end of

1911 and beginning of 1912 what the profits were which

the business earned in that period? A. The profits

in that time were \$587,634.

Q. And as you said you paid out---

A. The Commission: that is between 1908 and ---

MR. KELLOCK: and the beginning of 1912, my lord.

Q. That is \$587,000 and you paid out in that

period dividends to the extent of \$50,000 only. So

that you allowed some \$537,000 to remain in the

business? A. Yes, sir.

Q. What did you do with that? A. Spent it on

up-to-date machinery and up-to-date equipment trying

to improve our production in various ways.

Burns,

Q. Do you have to do that constantly? A. Yes, that is a continual process.

Q. Now, from 1912 to 1935 what were your profits?

5 A. From 1912 to 1935 the profits were \$2,465,487.

Q. That is, \$2,465,487. My friend was asking you about the dividends paid in that period yesterday, and there was some disagreement between you and the figures that he gave. Have you been able to check on that in the interval as to what the dividends paid in that period were? A. I remember checking it but I do not know whether---

10 Q. The figure I have is dividends in that period were \$1,131,625.00. It is closer to your figure than this figure yesterday.

MR. McRUER: Well, my figure the total is \$1,138,000.

THE COMMISSIONER: That brings it down to when?

MR. KELLOCK: To 1935.

20 Q. Now, that being the figure, if my arithmetic is right, the profits that were left in the business during that period amounted to \$1,333,862., and what did you do with those profits when you left them in the business? A. We paid some out in dividends as ---.

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THE COMMISSIONER: No, we have disposed of that.

THE WITNESS: Of the balance?

30 MR. KELLOCK: Q. Yes. Did you do the same as you did in previous years? A. Yes, capital expenditures during that period amounted to \$1,331,000, keeping

Burns,

Q. Do you have to do that constantly? A. Yes,
that is a continual process.

Q. Now, from 1912 to 1935 what were your profits?
A. From 1912 to 1935 the profits were \$2,465,487.

Q. That is, \$2,465,487. My friend was asking
you about the dividends paid in that period yesterday
and there was some disagreement between you and the
figures that he gave. Have you been able to check
on that in the interval as to what the dividends paid
in that period were? A. I remember checking
but I do not know whether---

Q. The figure I have is dividends in that period
were \$1,131,882.00. It is closer to your figure
than this figure yesterday.

MR. MORSE: Well, my figure the total is \$1,138,
THE COMMISSIONER: That brings it down to what?
MR. KILLOCK: To 1935.

Q. Now, what figure was that, if we are right,
is right, the profits that were left in the business
during that period amounted to \$1,338,882, and what
did you do with those profits when you left them in
the business? A. We paid some out in dividends

THE COMMISSIONER: No, we have disposed of that.
THE WITNESS: Of the balance?

MR. KILLOCK: Yes. Did you do the same as you

During that period amounted to \$1,331,882, keeping

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Burns

the plants well equipped with modern machinery.

Q. Extending the plants too? A. Very little

extension. Small extension at the St. Catharines
plant.

MR. McRUER: Of that \$636,000 would be in the
American plant? A. I have not the figure.

Q. Whatever you expended in the American plant
would come out of that figure? A. Well, the
American plant was started before that period.

MR. KELLOCK: Q. Well, apparently then during that
period the capital expenditures you have given,
difference between dividends paid and profits earned?

A. The profit only worked out at 5.7 per cent.
on that turnover.

Q. Now, that 5.7 per cent. is during what period?

A. Period from 1912 to 1935.

Q. And that is 5.7 per cent.? A. On sales.

Q. That is your profit on sales during that period?

A. Yes, sir.

Q. What was the turnover in that period?

A. \$43,500,000.

Q. So that you had to manufacture and sell over
\$43,000,000 worth of goods and you did that at a
profit of 5.7 per cent? A. Yes, sir.

Q. And that yielded the figure of profits on
your investment that you had given? A. Yes.

Q. I would like to come down to the last five years

BRAND 9823

the plants well equipped with modern machinery.

Q. Extending the plants too? A. Very little

extension. Small extension at the St. Catharines

plant.

MR. BRYDIE: Of that \$300,000 would be in the

American plants? A. I have not the figures.

Q. Whatever you expended in the American plants

would come out of that figure? A. Well, the

American plant was started before that period.

MR. BRYDIE: In 1912, I think you started that

period the capital expenditure you have given,

difference between dividends paid and profits earned?

A. The profit only worked out as 8.7 per cent.

on that turnover.

Q. Now, that 8.7 per cent. is during what period?

A. Period from 1912 to 1922.

Q. And that is 8.7 per cent? A. On sales.

Q. That is your profit on sales during that period?

A. That is.

Q. What was the turnover in that period?

A. \$45,000,000.

Q. So that you had \$45,000,000 and sold over

\$45,000,000 worth of goods and you did that at a

profit of 8.7 per cent? A. Yes, sir.

Q. And that yielded the figure of 8.7 per cent on

your investment that you had given? A. Yes.

Q. I would like to come back to the last three years

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just for the moment. Will you tell his Lordship what amount is being paid in taxes in that period?

A. The amount paid in municipal, provincial?

THE COMMISSIONER: In what period?

MR. KELLOCK: In the last five years, 1931 to 1935.

THE WITNESS: The Municipal, provincial and federal taxes paid for that period amounted to \$532,475.36.

Q. And what were the dividends in the same period?

A. The dividends were \$105,000.

Q. That is about \$21,000 a year?

A. Yes.

Q. And have you got the figure for the profit in that period?

A. The profits amounted to

\$246,419.

Q. That is about \$49,000 a year?

A. Yes.

Q. So that you were putting back into the business more than half of the net profits during that period.

Now, I would like to take period from 1926 to 1935, a little longer period.

During the last ten years what were the total of wages paid by your Company in that period?

A. Total wages

paid in that period amounted to \$6,783, 039.77.

Q. And what were the dividends?

A. The

dividends for that period were \$196,875.

Q. That is, the figure that worked out to ---

A. At 2.6%.

Q. And what were the net profits during the same period?

A. The net profits were \$452,033.

Q. So that taking the dividends out of that

just for the moment. Will you tell his lordship what amount is being paid in taxes in that period?

A. The amount paid in municipal, provincial?

Q. And what were the dividends in that period?

A. Well, in the last five years, 1931 to 1935, the amount paid for that period amounted to \$332,475.35.

Q. And what were the dividends in the same period?

A. That is about \$1,700 a year?

Q. And have you got the figure for the profits in that period?

A. The profits amounted to \$240,410.

Q. That is about \$48,000 a year?

A. Yes.

Q. So that you were putting back into the company about \$112,000 of the profits from 1931 to 1935?

A. Now, I would like to take period from 1936 to 1938, a little longer period. During the last ten years what were the total of taxes paid by your company in that period?

A. Total taxes paid in that period amounted to \$1,783,032.77.

Q. And what were the dividends?

A. The dividends for that period were \$130,875.

Q. That is, the figure that worked out to ---

A. At \$13.

Q. And what were the net profits during the same period?

A. The net profits were \$432,000.

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Burns

would have left in the business in that year

\$255,158.?

A. That is correct.

Q. Now, during that ten-year period what were the percentage of profits you were able to make on your sales?

A. I don't think I have that.

Q. Will you tell his Lordship the volume of the business done in that period?

A. That is in the ten-year period?

Q. Yes?

A. I think it was \$18,000,000.

Oh, yes, \$18,000,000 and the profits amounted to 2.5% on sales.

Q. Mr. Burns, are the shares of your Company held in a few hands or are they scattered?

A. There are about 600 shareholders.

Q. Including the common and preferred?

A. Yes, sir.

Q. I understand that the Lalor Estate hold the bulk of the common shares?

A. I have some information about that.

Q. Well, according to the evidence already in, you purchased in 1912 10,500 shares of the total issue?

A. Yes. At the present time in the common stock 15 employees and their families owned 10,494 shares. That leaves 2,256 shares in the hands of the public and there are 151 of the public holding the 2,256 shares.

Q. And of the common shares held by the employees

Page 1

Would have left in the business in that year

1928, 1929? A. That is correct.

Now, during that ten-year period what were

the percentages of profits you were able to make on

your sales? A. I don't think I have that.

Will you tell me roughly the volume of the

business done in that period? A. That is in

the ten-year period

1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939.

Yes, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939.

2.25 on sales.

At that time, the business of your company

held in a few hands or are they scattered?

A. There are about 600 shareholders.

Including the common and preferred?

Yes, sir.

I understand that the Major Estate hold the

bulk of the common shares? A. I have some

information about that.

Well, according to the witness already in,

you purchased in 1918 12,500 shares of the total

12,500? A. Yes. At the present time

in the common stock is employees and their families

owned 12,494 shares. That leaves 2,256 shares

in the hands of the public and there are 121 of

the public holding the 2,256 shares.

And of the common shares held by the employees

you and the Lalor estate hold some 10,500 shares?

A. Yes.

Q. And as the evidence shows you had not had any dividends on the common shares since 1921? A. No, not for the last ten years.

Q. Well, it is longer than that? A. Yes, I have a card that shows it.

Q. 1921 you got the last dividends on the common?

A. Yes, sir.

Q. And that was 4%? A. Yes, sir.

Q. What is the payroll after you started up in 1903, what was the weekly pay roll? A. I found an old cheque book for 1903 in my desk and I took off a statement for 12 weeks and averaged \$206 per week for 12 weeks.

Q. What was your average pay roll in 1935 for per week? A. Runs a little over \$12,000 a week.

Q. So that your success, whilst others failed, has been perhaps a good thing for Dunnville?

A. I judge so.

Q. Now, there was some suggestion made by my friends in examining Mrs. Collard this morning, one of your former employees, that when things were busy you employ hands and when things were slack, to use my friend's phrase, you let the employees underwrite the slack period. Now, is that a fair statement of your policy and what was your policy as

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you and the latter estate hold some 10,500 shares?

A. Yes.

And as the evidence shows you had not had any

dividends on the common shares since 1911? A. No.

not for the last ten years.

A. Well, it is longer than that.

I have a card that shows it.

A. I will you get the last dividends on the common?

Yes, sir.

A. And that was 1911? A. Yes, sir.

A. That is the payroll after you started up in

1908, what was the weekly pay roll? A. I found

an old cashbook book for 1908 in my desk and I took off

a statement for 14 weeks and averaged \$200 per week

for 12 weeks.

A. What was your average pay roll in 1908 for

per week? A. From a little over \$18,000

A. So that your success, whilst others failed,

has been perhaps a good thing for yourself?

A. I judge so.

A. Now, there was some suggestion made by your

friends in examining Mr. Colford this morning,

one of your former employees, that when things were

busy you employ hands and when things were slack,

to use my friend's phrase, you let the employees slide

into the slack period. Now, is that a fair

statement of your policy and what was your policy as

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to short-time period?

A. Our policy was that we always made sure that our employees were given

work and steady work throughout the winter months and if there was to be any short-time period it was given in the spring and summer.

Q. Now, you say you made sure that in the winter months your employees were employed? A. Yes, sir.

Q. What did that mean so far as your company was concerned?

A. It meant that we had to sit down with our men and speculate on merchandise that was not sold in order to provide work.

Q. That is, that you would have to manufacture ahead merchandise which you could not sell for some period but you made it up in the winter-time in order to give your employees work? A. Yes.

Q. Aside from that, when things were slack had you any policy of spreading employment among your hands?

A. Yes, we always tried to stagger employment, that is the expression we use.

Q. What do you mean by that? A. That is, if Department was slack a certain number of employees would be out this week and a certain number next week and worked back and forwards.

Q. And has both those things been put in practice by you for a number of years? A. Yes, that

has been our general policy for some time.

-- Adjourned at 12.30 to resume at 2 P.M.

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to short-time periods? A. Our policy was

that we always made sure that our employees were given

work and steady work throughout the winter months

and if there was to be any short-time period it was

given in the spring and summer.

Q. Now, you say you made sure that in the winter

months your employees were employed? A. Yes, sir.

Q. What did that mean so far as your company

was concerned? A. It meant that we had to

sit down with our men and speculate on merchandise

that was not sold in order to provide work.

Q. That is, that you would have to speculate

on merchandise which you could not sell for some

period but you made it up in the winter-time in order

to give your employees work? A. Yes.

Q. Aside from that, when things were slack had

you the policy of giving employees work?

A. Yes, we always tried to stagger employment,

that is the expression we use.

Q. What do you mean by that? A. That is,

if Department was slack a certain number of employees

would be cut this week and a certain number next

week and worked back and forwards.

Q. And has both those things been put in practice

by you for a number of years? A. Yes, that

has been our general policy for some time.

— (A) turned at 12.30 to resume at 2 P.M.

-- On resuming at two o'clock p.m.

JOHN A. BURNS (Continued)

5 MR. KELLOCK: Mr. Beauregard, have you got the sheets that the witness was examined on yesterday in answer to the questionnaire?

MR. BEAUREGARD: Yes.

MR. KELLOCK: That is it there.

10 MR. McRUER: That goes to there and it is carried over from the other.

15 BY MR. KELLOCK: Q. Mr. Burns, my friend was asking you yesterday some questions as to the profits, the net profits, of your company during the period 1926 to 1935 and he referred you to page 13A of this return which is in answer to the questionnaire sent out by the Commission, and the figure given for the year 1926 was \$93,732. Now, I find that that figure on this sheet is opposite an entry called "net profit on sales". Is that the same thing as the net profit of your company for that year? A. No, sir, there would be additional expenses that would have to be taken out of those profits.

20 Q. As a matter of fact, that figure does not even include all the revenue of the company for the year, does it, because I find on the following page, which is also 13A, that there were certain rents received, bad debts recovered, and then that there are to be deducted interest on bank loans, and workmen's houses expenses, and bad debts and a whole lot of things so that the actual net profit as I read this sheet for

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at two o'clock p.m.

JOHN A. BUTTS (Continued)

MR. KELLER: Mr. Beaudry, have you got the sheets that the witness was examined on yesterday

in answer to the questionnaires?

MR. KELLER: Yes.

MR. KELLER: That is it there.

MR. KELLER: That goes to there and it is carried

over from the other.

BY MR. KELLER: Q. Mr. Butts, my friend was asking

you yesterday some questions as to the profits, the

net profits, of your company during the period 1955

to 1956 and he referred you to page 144 of this report

which is in answer to the questionnaire sent out by

the Commission, and the figure given for the year 1955

was \$98,752. Now, I find that that figure on this

sheet is opposite an entry called "net profit on

sales". Is that the same thing as the net profit

of your company for that year?

A. No, sir, that

would be additional expenses that would have to be

added to the net profit.

Q. As a matter of fact, that figure does not even

include all the revenue of the company for the year,

does it, because I find on the following page, which

is also 184, that there were certain items received,

and debts recovered, and then that there are to be

added to the net profit, and then that there are to be

added to the actual net profit as I read this sheet

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1926 of the company was \$32,681.53. Would you look at that sheet and tell his lordship if that is correct?

THE COMMISSIONER: What is the year?

MR. KILLOCK: 1926, my lord.

MR. McRUER: I was only comparing the prosperity of 1926 with the prosperity of 1933 and the wages of 1926 with the wages of 1933.

MR. KELLOCK: Quite so, but the figure you used for 1926 isn't the net profit at all.

MR. McRUER: I used the same figure for each. One was the profit on sales in 1933 and the other was the profit on sales in 1926, and the wages in 1926 and the wages in 1933.

MR. KELLOCK: I quite understand.

THE COMMISSIONER: Mr. Kellock is not comparing with that but he is going to compare with other sets of figures based on something else.

MR. KELLOCK: My friend has taken a partial figure for 1926 which is called net profit on sales.

THE COMMISSIONER: It is really the manufacturing profit. If you call this net profit in one year and net profit in another year and one is greater than another there is nothing wrong in comparing them. If you can show that the comparison is misleading alright, show it to me. That is what you are purporting to do?

MR. KELLOCK: I have got two things. My friend, in reading these figures, quite unintentionally called them net profits.

THE COMMISSIONER: You call them net profit on sales.

[illegible]

MR. KELLOCK: Net profit on sales and the company's net profit are two distinct things.

THE COMMISSIONER: Yes, he was comparing two sets of the net profits on sales and now you are going to compare the actual net profits of the company. Is that it?

MR. KELLOCK: Yes.

MR. McRUER: I am quite satisfied that that be done. One is thirty-two thousand and the other is sixty-seven thousand.

MR. KELLOCK: My friend was comparing the wages paid by this company from 1926 to 1935 with this figure of net profit on sales. Now, my submission is the inference was, and my friend argued it and stated it, that, for instance, as between 1932 and 1933 the company's profit on sales had increased away up but the wages were apparently down. Now, I am simply drawing to your lordship's attention if there is any comparison to be made it is not between profits on sales, but it is what that profit on sales yielded to the company, and I want to show your lordship the situation insofar as the actual net profits are concerned.

THE COMMISSIONER: Alright.

BY MR. KELLOCK: Now, Mr. Burns, will you just tell his lordship --

THE COMMISSIONER: You are going to begin with what year, 1926?

MR. KELLOCK: 1926, my lord, what the net profit was for 1926.

MR. KILGORE: Not profit on sales and the company's
net profit are two distinct things.
THE COMMISSIONER: Yes, he was comparing two sales
of the net profit on sales and now you are going to
compare the actual net profit of the company. Is
that right?

MR. KILGORE: I am quite satisfied that that is
done. One is thirty-two thousand and the other is
sixty-seven thousand.
MR. KILGORE: In the year 1935 the net profit
by this company from June to 1935 with this figure
of net profit on sales. Now, my submission is the
difference was, and my friend argued it and stated it,
that, for instance, as between 1932 and 1933 the
company's profit on sales had increased away up but
the wages were apparently down. Now, I am simply
drawing to your lordship's attention if there is any
connection to be made it is not between profit on
sales, but it is that that profit on sales yielded
to the company, and I want to show your lordship the
attention insofar as the actual net profit and con-
cerns.

THE COMMISSIONER: All right.
BY MR. KILGORE: Now, Mr. Brydie, will you just tell
me, please --
THE COMMISSIONER: You are going to begin with the
year 1932.
MR. KILGORE: 1932, my lord, was the last year
was the 1932.

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Burns,

THE COMMISSIONER: Alright; now, you have mentioned the profits on sales that Mr. McRuer referred to; how much were they?

MR. KELLOCK: They were \$93,700, my lord.

What is the net profit, Mr. Burns, the actual net profit?

A. The actual net profit was \$32,681.53.

Q. For 1927 what? A. \$71,000--

THE COMMISSIONER: Net profit?

MR. KELLOCK: Yes, my lord.

A. \$71,677.16.

Q. For 1928? A. \$113,321.09.

Q. For 1929? A. \$75,152.46.

Q. For 1930? A. A loss of \$147,113.64.

Q. That is a loss? A. A loss.

Q. For 1931? A. A profit of \$15,883.68.

Q. 1932? A. Profit of \$12,164.53.

Q. 1933? A. \$67,887.26.

Q. 1934? A. \$33,500.29.

Q. 1935? A. 1935, \$9,115.73. That doesn't just look right to me.

Q. Is that what the statement shows? A. It doesn't fit, the figure is not familiar.

Q. Will you check on that? A. I haven't the copy of the statement but I am quite sure that is wrong figure, and I think it is a wrong figure for 1934.

MR. McRUER: I think you will find they are right?

THE WITNESS: It may be.

BY MR. KELLOCK: Q. Well, that is what the statement shows, we will take it anyway? A. The statement for 1935?

the profits on sales that Mr. McNamee referred to; how much were they?

MR. KILLOCK: They were \$25,700, my lord.

What is the net profit, Mr. Burns, the actual net profit?

A. The actual net profit was \$25,681.55.

Q. For 1927 what? A. \$27,000--

THE COMMISSIONER: Net profit?

MR. KILLOCK: Yes, my lord.

A. \$27,077.55.

Q. For 1928? A. \$27,321.00.

Q. For 1929? A. \$27,125.45.

Q. For 1930? A. A loss of \$147,173.64.

Q. That is a loss? A. A loss.

Q. For 1931? A. A profit of \$15,883.68.

Q. Profit of \$15,164.58.

Q. For 1932? A. \$27,451.55.

Q. For 1933? A. \$25,500.25.

Q. For 1934? A. For 1934, \$2,115.75. That

doesn't just look right to me.

Q. Is that what the statement shows? A. It

doesn't fit, the figure is not familiar.

Q. Will you check on that? A. I haven't

the copy of the statement but I am quite sure that is

wrong figure, and I think it is a wrong figure for 1934.

MR. McNamee: I think you will find they are right.

THE WITNESS: It may be.

BY MR. KILLOCK: Q. Well, that is what the statement

shows, we will take it anyway? A. The statement

Q. Yes? A. \$9,115.73.

Q. Yes, so that instead of having a net profit in 1933, as my friend suggested, of \$132,124 the real figure was \$67,887, in 1933, that is right?

5 A. Yes, that is correct, sir.

MR. McRUER: I was not comparing the \$132,000 with the \$32,000 of 1926, I was comparing it with the net profit on sales in 1926. We must not get confused on that.

10 MR. KELLOCK: I am not getting confused at all.

MR. McRUER: The net profit in 1926 was \$34,000--

MR. KELLOCK: \$32,000.

15 MR. McRUER: \$32,000, and in 1933, \$67,000, and my only point was their net profits had gone up when the wages had gone down.

20 MR. KELLOCK: Now, I am coming to that. My submission is the net profit on sales forms no basis of comparison at all. Now, we have got the net profits, Mr. Burns, and my friend spent some time in pointing out that while in 1933 your profits had increased over 1932 --

THE COMMISSIONER: Over 1932?

25 MR. KELLOCK: Over 1932, yes, my lord, and at the same time the wages paid in 1933 were less than those paid in 1932, the difference being some \$35,000. Now, have you any explanation to his lordship as to how that situation resulted in those two years? A. I think it was 1933 the comparison was with?

30

Q. Yes, that is right, that the wages were down

Q. Yes? A. \$9,118.73.

Q. Yes, so that instead of having a net profit in 1933, as my friend suggested, of \$128,124 the real figure was \$9,118.73, is that right?
A. Yes, that is correct, sir.

Q. Now, I was not comparing the \$128,000 with the \$92,000 of 1933, I was comparing it with the net profit on sales in 1933. We must not get confused on that.

MR. KIRKWOOD: I am not getting confused at all.
MR. BRYDIE: The net profit in 1933 was \$92,000--

Q. Now, \$92,000, and in 1933, \$97,000, and my only point is their net profits had gone up when the wages had gone down.

MR. KIRKWOOD: Now, I am coming to that. My submission is the net profit on sales forms no basis of comparison at all. Now, we have got the net profits, Mr. Burns, and my friend spent some time in pointing out that while in 1933 your profits had increased over 1932 --

MR. KIRKWOOD: Over 1932, yes, my friend, and at the same time the wages paid in 1933 were less than those paid in 1932, the difference being some \$35,000. Now, have you a suggestion to his lordship as to how that situation resulted in these two years?

Q. I think it was 1933 the comparison was with 1932. Yes, that is right, that the wages were down

in 1933 and the profits were up? A. The explanation, my lord, in connection with that is the inventory of manufactured goods at December 31, 1932 amounted to \$420,184.70. The inventory of manufactured goods, December 31, 1933 amounted to \$358,078.78.

Q. What is the difference between those two figures? A. The difference is \$62,105.92.

Q. That means, as I understand it --

THE COMMISSIONER: What is the significance?

BY MR. KILLOCK: Q. That means, Mr. Burns, as I understand it that at the beginning of the year 1933 when you started off to do business your inventory was \$420,000 and at the end of the year it was only \$358,000, so that you must have sold in 1933 \$62,105 worth of goods that you had manufactured in the previous year and paid wages on in the previous year; is that right? A. That is correct, sir.

Q. And that you would get the benefit of the sale in 1933 and make the profit in 1933?

A. Yes, sir..

Q. No wages would be paid on the manufacture of these goods at all in 1933? A. That is correct.

Q. Now, some tables have been put in here which appear to show that there was a falling off in rates of wages paid at one period in or about 1930, or following; I want to ask you this, so far as your time workers were concerned did you ever put in force a cut on your time workers? A. No, we never made any percentage reduction.

Q. The profits were up?

A. Yes, in connection with that is

the inventory of manufactured goods at December 31,

1933 amounted to \$420,184.70. The inventory of

manufactured goods, December 31, 1934 amounted to

\$420,184.70.

Q. What is the difference between those two

A. The difference is \$2,103.92.

Q. That means, as I understand it --

THE COMMISSIONER: What is the significance?

A. It means that the difference between the

understand it that at the beginning of the year 1933

when you started off to do business your inventory

was \$420,000 and at the end of the year it was only

\$398,000, so that you must have sold in 1933

\$22,100 worth of goods that you had manufactured in

the year 1933 and that was the only goods that

year; is that right?

A. That is correct, sir.

Q. And that you would get the benefit of the

sale in 1933 and make the profit in 1933?

A. No wages would be paid on the manufacture of

these goods at all in 1933?

A. That is correct.

Q. Now, some tables have been put in here which

appear to show that there was a falling off in rates

of wages paid at one period in or about 1930, or

following; I want to ask you this, so far as your

time workers were concerned did you ever put in

a cut on your time workers?

A. No, we never

Q. The witness, Fussee, said this morning he had had an increase in that time? A. Yes, that was correct.

Q. Now, so far as your piece workers are concerned was there anything in the way of a general cut put in force on piece rates that you know of? A. No, there is no general policy because each year we manufacture as a rule/different line of product under different prices than we have the previous year.

Q. That is what I want to get at; you don't necessarily make the same product this week this year as you did the corresponding week last year? A. No, no.

Q. Would that mean that the operations, the piece work operations in this week might be different from the piece work operations in the corresponding week last year? A. Absolutely; the only way to get a fair comparison would be to take every week in the year and then that would be likely to be nearer correct.

Q. And even at that -- A. There would be variances.

Q. Even at that are you working from week to week, or from month to month or from year to year on articles which involve the same piece work and the same piece work rates or is that something that continually changes? A. It changes almost daily.

Q. And you say that so far as policy is concerned there was no actual reduction, general reduction on piece work, where you cut them 5% or 10% or anything of that kind? A. No, sir, there was never that.

Q. Now, going back for a moment to the situation

The witness, Krasner, said this morning he had

an increase in that time? A. Yes, that

was correct.

Q. Now, so far as your piece workmen are concerned

was there anything in the way of a general cut but in

force on piece rates that you know of? A. No,

there is no general policy because each year we man-

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different prices than we have the previous year.

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sarily make the same product this week this year as you

did the corresponding week last year? A. No, no.

Q. Would that mean that the operations, the piece

work operations in this week might be different from

the piece work operations in the corresponding week

years? A. Absolutely; the only way to get

a fair comparison would be to take every week in the

year and then that would be likely to be more cor-

rect. A. And even of that -- A. There would be

various.

Q. Even at that are you working from week to week

from month to month or from year to year on articles

which involve the same piece work and the same piece

work rates or is that something that continually changes?

A. It changes almost daily.

Q. And you say that as far as policy is concerned

there was no actual reduction, general reduction on

piece work, where you cut them 5% or 10% or anything

of that kind? A. No, sir, there was never a

reduction, going back for a year to the situation

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in 1933, what was the situation there so far as the market for your raw product was concerned as opposed to 1932? A. I have a wool map here, which is published in Bradford, England.

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THE COMMISSIONER: You say the market for his raw product?

MR. KELLOCK: The raw material, yes, of the Monarch Company.

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THE WITNESS: My lord, May I show you this? This is a wool map that is published in Bradford, England. This gives the price in 1932 down here and in 1933 they have an advance which amounted to 82% in the price.

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BY MR. KELLOCK: Q. Putting that in cents, what was the advance -- what was the price at which you started off? A. At 45 cents a pound and at the end of 1933 it was 82 cents a pound.

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Q. What does that involve so far as your business is concerned; did you have a stock of raw material on hand which you had purchased at the lower price? A. We naturally would have.

Q. When you come to sell that is your selling price based --

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THE COMMISSIONER: Sell that?

BY MR. KELLOCK: Q. Sell the manufactured product from that raw material is your selling price based on your original cost of the raw material or is it based on what the market may have reached in the meantime? A. It is based on what we assume

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BURNS,

1941

in 1933, what was the situation there as far as the
market for your new product was concerned as opposed
to 1931. I have a wool map here, which is

published in Bradford, England.

THE COMMISSIONER: You say the market for his raw

Mr. KILLOCK: The raw material, yes, of the home

country.

THE WITNESS: My lord, may I show you this which
is a wool map that is published in Bradford, England.
This gives the price in 1932 down here and in 1933
they have an advance which amounted to 82 1/2 in the

BY MR. KILLOCK: Putting that in cents, what
was the advance -- what was the price at which you
started off? A. At 40 cents a pound and
at the end of 1933 it was 82 cents a pound.

Q. What does that involve as far as your business
is concerned; did you have a stock of raw material
on hand which you had purchased at the lower price?
A. We naturally would have.

Q. When you come to sell that in your selling

price based --

THE COMMISSIONER: Sell first?

Mr. KILLOCK: A. Well, the manufactured goods
from that raw material is your selling price based
on your original cost of the raw material or is it
based on what the market may have reached in the
A. It is based on what we assume

will be the average price throughout the period in which we will be selling these goods, and not necessarily on the cost.

5 Q. That is, if your raw market has gone up you take that increase into consideration in fixing your price for your manufactured product? A. Yes, sir.

10 Q. And what is the situation when the market is going the other way? A. We have to lower our prices in accordance with the price of raw materials.

15 Q. And if you have bought raw material at high prices and the market is down when you go to sell the product manufactured from that you have to take a loss? A. Yes, sir.

Q. So that in the corresponding situation your prices are increased? A. Yes, it averages out as a rule.

20 Q. Would that reflect itself in the quantity of sales that you made? A. Yes, in the dollar volume it would.

Q. The dollar volume would go up? A. Yes. ✓

Q. Was that the situation in 1933? A. That was the situation.

25 Q. Now, my friend referred you to these full fashioned hosiery documents, and you recall the documents that came into force in 1932 and went on until the one of September, 1935, and that one fell by the way. Insofar as you are concerned, Mr.
30 Burns, the prices that were mentioned in those documents, were those profitable prices or non-

will be the average price throughout the period in which we will be selling these goods, and not

the average price of the goods.

That is, if your raw market has gone up you take that increase into consideration in fixing your

price for your manufactured products? A. Yes, sir.

And what is the situation when the market is

going the other way? A. We have to lower

our prices in accordance with the price of raw

materials.

And if you have bought raw material at high

prices and the market is down when you go to sell

the product manufactured from that you have to take

the loss.

So that in the corresponding situation your

prices are increased? A. Yes, it averages

out as a rule.

Would that reflect itself in the quantity of

sales that you make? A. Yes, in the dollar

volume it would.

The dollar volume would go up? A. Yes.

Was that the situation in 1932? A. That

was the situation.

Now, my friend referred you to these full

tabular history documents, and you yourself the

documents that came into force in 1932 and went on

until the one of September, 1935, and that one till

by the way. Insofar as you are concerned, Mr.

Smith, the prices that were mentioned in those

documents, were those profitable prices or non-

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profitable prices, or prices which would yield you a profit, or were below cost or what was the situation?

A. As far as our company was concerned it meant a loss.

Q. It meant a loss? A. Yes.

Q. To sell at those prices? A. Yes.

Q. And what was the experience in connection with these documents? Were they lived up to by those who had signed them or what was your experience?

A. Our experience was that continually there were some manufacturers selling at different prices.

Q. And within what period after a particular document had been signed have you any recollection of coming across such a situation as that? A. Oh, probably a few days afterwards. They would meet say on Friday and it would probably happen on Monday.

Q. Have you known of cases? A. Yes, they have been reported to us.

Q. That would be something that came to your own knowledge? A. Yes, sir.

Q. Now, my friend referred you to exhibit 684, which is a letter from Mr. Hallam to you of the 20th of December, 1934, and attached to it is a circular letter dated the 29th of the same month. Mr. Hallam's letter to you reads -- it is headed "Prepayment Allowances".

"The replies to our letter regarding the reduction of prepayment allowance to not more than 7%, indicate a general acceptance of this proposal in the knitting trade."

A. Yes.

profitable prices, or prices which would yield you
a profit, or were below cost or what was the situation
A. As far as our company was concerned it meant a loss
Q. It meant a loss?
A. Yes.
Q. To sell at those prices?
A. Yes.
Q. And what was the experience in connection
with these documents? Were they lived up to by the
who had signed them or what was your experience?
A. Our experience was that continually there were so
merchandise selling at different prices.
Q. And within what period after a particular
document had been signed have you any recollection of
coming across such a situation as that?
A. Oh, probably a few days afterwards. They would meet us
on Friday and it would probably happen on Monday.
Q. Have you known of cases?
A. Yes, they
have been reported to us.
Q. That would be something that came to your own
knowledge?
Q. Now, my friend referred you to exhibit 684, which
is a letter from Mr. Hallam to you of the 20th of
December, 1934, and attached to it is a circular
letter dated the 20th of the same month. Mr. Hallam's
letter to you reads -- it is headed "Prepayment"
"The replies to our letter regarding the request
of prepayment allowance is not more than 75% in
advance a general acceptance of this proposal in
the existing trade."
A. Yes.

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Q "It is believed that the 7% allowance should be made effective by all companies and for all customers commencing with Fall 1935 business", and the circular attached to that dated the 29th of December says:

"The following knitting mills are in accord with making a not more than 7% allowance for prepayment, commencing with Fall 1935 business", and there are a number of mills set out here. Now, I want to ask you, Mr. Burns, what the subject matter of these two letters, the prepayment allowance, allowing a customer 7% for payment before the time he was obliged to pay, what that has to do with prices in full fashioned hosiery? A. It has no connection with it at all.

Q. You told my friend, as I understood you, that you thought this carried out the spirit of the full fashioned agreement, and what I am asking you is what it had to do with the full fashioned agreement as far as prices were concerned? A. That is 7% per annum, you see, and if some were allowing say 20% why it would be just like reducing the price of the hose.

Q. In other words, the retailer buying from you, if you gave him 7%, and a retailer buying from one of your competitors got 8%, as a matter of arithmetic in the long run -- A. It would be some advantage.

Q. That was an advantage to him? A. Yes.

Q. Well, I am pointing out to you that this letter,

"It is believed that the 1% allowance should be

made effective by all companies and for all

customers commencing with July 1935 business"

and the circular referred to that dated the 29th of

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"The following knitting mills are in accord with

making a not more than 1% allowance for pre-

ferred, and the following are in accord with

and there are a number of mills set out here. 1935

I want to ask you, Mr. Burns, what the subject matter

of these two letters, the agreement referred to, allow-

ing a customer 1% for payment before the time he was

obliged to pay, what that has to do with prices in

15 full fashioned hosiery? A. It has no connection

with it at all.

Q. You told my friend, as I understood you, that

you thought this carried out the spirit of the full

fashioned agreement, and what I am asking you is what

it had to do with the full fashioned agreement as far

20 as prices were concerned? A. That is not

anxious, you see, and it was not allowing any 20%

why it would be just like reducing the price of the

hose.

Q. In other words, the retailer paying from you,

if you gave him 1%, and a retailer paying from one

of your competitors got 2%, as a matter of arithmetic

in the long run -- A. It would be some advan-

tage.

Q. That was an advantage to him? A. Yes.

Q. Well, I am pointing out to you that this letter

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both these letters, refer to the knitting trade as a whole? A. Yes.

5 Q. And I am asking you what that would have to do with the full fashioned hosiery agreement which relates to a very small part of the knitting trade?

A. I might explain in connection with that that many of the plants, including our own, manufacture other products besides full fashioned hosiery, and it would be necessary to have a uniform basis for allowance ~~xx~~ for prepayment on all their products.

10 Q. When you say it relates to prices you mean as a matter of arithmetic if one manufacturer allows 7% and another 8% it, in the long run, decreases the price of the goods to the customer who gets the 8%? A. Yes.

15 Q. Do you know of any other connection with prices that it has? A. Any other connection with prices?

Q. Yes? A. I don't know.

20 Q. I don't know of any, I am just wondering if you did? A. No.

Q. Do you know whether there is any mention of this in the full fashioned hosiery agreement -- perhaps that speaks for itself? A. Yes, I would not remember that.

25 Q. You have said to my friend, either in discussing this exhibit, or some place, that that was an unfair trade practice. My friend is not very familiar with that phrase but why is that an unfair trade practice?

30 In the first place it is unfair to whom? A. You mean

Q. Just taking this as an illustration, this pre-

both these letters, refer to the knitting trade as

a whole?

Q. And I am asking you what that would have to

do with the full fashioned hosiery agreement which
relates to a very small part of the knitting trade?

A. I might explain in connection with that that

many of the plants, including our own, manufacture
other products besides full fashioned hosiery, and
it would be necessary to have a better basis for

allowance for preparation on all their products.

Q. When you say it relates to hosiery you mean as

a matter of antitrust it one manufacturer allows

to and another to it, in the long run, decreases

the price of the goods to the customer who gets the

A. Yes.

Q. Do you know of any other connection with prices

that it has? A. Any other connection with prices

Q. I don't know.

Q. I don't know of any, I am just wondering if you

A. No.

Q. Do you know whether there is any mention of

this in the full fashioned hosiery agreement -- per-

that speaks for itself? A. Yes, I would not remem-

Q. You have said to my friend, either in discussion

this exhibit, or some place, that that was an unfair

trade practice. My friend is not very familiar with

that business but he is not in the hosiery business

A. You

Q. Just asking this as an illustration, this pro-

payment allowance at different rates of interest,
for instance? A. It would be unfair to
the other merchant that did not get it, for instance.

Q. It would be unfair that one merchant should get
a lower allowance than another.

THE COMMISSIONER: Is that all, is that the only
place where it would be unfair?

BY MR. KELLOCK: Q. Would it be unfair any place
else? Would it be unfair to the manufacturer?

A. It would be unfair to the other manufacturers.

Q. In what way? A. Because they would be
practically selling at a lower price.

BY THE COMMISSIONER: Q. They would be cutting
prices; is that right? A. Yes, sir, the net
amount would be lower.

BY MR. KELLOCK: Q. Take the situation of a mill,
two mills making mitts, for instance, where there was
no understanding about prices whatsoever, when you
say cutting prices what do you mean by that?

A. Selling at a less price than some fellow manufacturer

Q. Selling at what? A. Selling at a less price
for the same product, if it was the same article.

Q. When you say less price -- A. Lower price.

Q. Lower than what? A. Lower than what the other
manufacturer might be selling at.

Q. Well, I am speaking of a case such as mittens
where there is no agreement of any kind, or understandin
relating to prices. You say one sells below what
another sells at; that is alright, but you spoke about
cutting prices, cutting prices from what? There is

payment allowance at different rates of interest.
A. It would be unfair to
for instance?

a lower allowance than another.

THE COMMISSIONER: Is that all, is that the only

place where it would be unfair?

BY MR. KELLOCK: It would be unfair any place

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A. In what way? B. Because they would be

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BY MR. KELLOCK: Take the situation of a mill,

two mills making mits, for instance, where there was

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say cutting prices what do you mean by that?

A. Selling at a less price than some fellow manufacturer

A. Selling at what? A. Selling at a less price

for the same product, it is the same article.

A. Lower price -- A. When you say less price --

A. Lower than what? A. Lower than what the

manufacturer might be selling at.

A. Well, I am speaking of a case such as mits

where there is no agreement of any kind, or understand

relating to prices. You say one sells mits what

another sells at; that is alright, but you speak of

cutting prices from what? There is

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no standard, what are you cutting prices from?

MR. McRUER: He has not said there is no standard.

THE WITNESS: I don't know just what would be the correct answer to that.

5 BY MR. KELLOCK: Q. Let me put it this way; one of the witnesses has said that price cutting, selling in that way is selling below cost; is that what you mean?

A. Well, it just depends on what the prices were they got for their goods.

10 One might be selling at cost and the other below cost.

Q. When you speak about somebody selling such an article as mittens and price cutting, what do you mean by that? Do you mean the other fellow is selling below your cost or his cost or what?

15 A. Well, price cutting is usually recognized as selling below the cost of manufacturing.

BY THE COMMISSIONER: Q. Just a minute, is that right, that price cutting does not begin to be price cutting until somebody is selling below the manufacturing costs?

20 A. Well, you don't hear complaints of it.

Q. You are defining price cutting; I never understood it that way.

25 BY MR. KELLOCK: Q. Mr. Burns, I want you to know what you understand by that so far as your experience goes in your industry when you speak of a person as price cutting?

30 A. Yes, I think I am getting the thought that if a firm is known as a price cutter they are the ones that go out and ascertain what your price is and then sell goods under that. I think

is standard, what are you selling below cost?

MR. McWILLIAMS: He has not said there is no standard.

THE WITNESS: I don't know just what would be the

correct answer to that.

BY MR. McWILLIAMS: Q. Let me put it this way; one

of the witnesses has said that price cutting, selling

in that way is selling below cost; is that what you

mean? A. Well, it just depends on

what the prices were they got for their goods.

Q. One might be selling at cost and the other below cost

. When you speak about somebody selling such an

article as mirrors and price cutting, what do you

mean by that? Do you mean the other fellow is

selling below your cost or his cost or what?

A. Well, price cutting is usually recognized as

selling below the cost of manufacturing.

BY THE COMMISSIONER: Q. Just a minute, is that

right, that price cutting does not begin to be price

cutting until somebody is selling below the manufacturer's

cost? A. Well, you don't have com-

plaints of it.

Q. You are selling price cutting; I never under-

stood it that way.

BY MR. McWILLIAMS: Q. Mr. Burns, I want you to know

what you understand by that so far as your expertness

goes in your industry when you speak of a person as

price cutting? A. Yes, I think I am getting

the thought that if a firm is known as a price cutting

they are the ones that go out and ascertain what

prices are and then sell goods under that. I think

that is correct.

BY THE COMMISSIONER: Q. It may still be above manufacturing cost? A. It might be.

5 BY MR. KILLOCK: Q. I see, alright; have you had any dissatisfaction on the part of your employees with wages? A. No, sir.

Q. Had any demands for changes in wages?

A. No, sir.

10 Q. Have you at all times in the history of your business been able to find xemployees right here in Dunnville, or in the country, that you needed for the purpose of your industry? A. Yes, sir; back some years ago, before 1910, we employed every
15 person in Dunnville that was employable, and was desirable for our type of business, and we then had an agency in Glasgow, Scotland getting us employees and we paid their passage to bring them out to Canada, and we gave them positions at our mill.

20 Q. How many did that amount to? A. I don't know how many that amounted to but I remember one time we sent an Anglican clergyman over to Scotland and England, paid his fare and expenses, to select employees for us. At that time there were 50 came
25 out in one lot.

Q. What about their passage money?

30 BY THE COMMISSIONER: Q. How long ago was that, by the way? A. That would be back about 1909. We paid their passage and then over a period of years they would gradually pay that back to us, those that stayed with us, would gradually pay it back.

BY THE COMMISSIONER: Q. It may still be above

in business with you? A. It might be.

BY MR. KILLICK: Q. I see, alright; have you had

any business with you on the part of your employees

with wages? A. No, sir.

Q. Has any demand for changes in wages?

A. No, sir.

Q. Have you at all times in the history of your

business been able to find employees that were in

business, or in the country, that you needed for

the purpose of your industry? A. Yes, sir; back

some years ago, before 1910, we employed every

person in Dunaville that was employable, and was

desirable for our type of business, and we then

had an agency in Glasgow, Scotland getting us

employees and we paid their passage to bring them on

to Canada, and we gave them positions at our mill.

Q. How many did that amount to? A. I don't

know how many that amounted to but I remember one

time we sent an English clerkman over to Scotland

and England, with his fare and expenses, to select

employees for us. At that time there were 50 came

out in one lot.

Q. What about their passage money?

BY THE COMMISSIONER: Q. How long ago was that?

A. That would be hard to say.

Q. It would be hard to say, but it would be

of years that would probably not that back to us.

Some that stayed with us, some that went to us.

BY MR. KELLOCK: Q. Was 1909 the last time you had to do that?

A. No, I think that 1910 was, probably.

Q. Did these people become permanent citizens?

A. Yes, in many cases they later sent for their families and brought them out themselves and in some cases we would assist them to bring out the families, and their children and in some cases their grandchildren are employees of ours to-day.

Q. Have your company had anything to do with building houses for your work people?

A. Yes, there was a scarcity of houses in Dunnville at one period and we erected a block of workmen's homes.

Q. What do you mean by a block?

A. We filled the whole block.

Q. A town block?

A. Yes, put ten houses on it and rented them to our employees at very reasonable rent.

Q. What was the reason or occasion for you opening plants in St. Catharines and St. Thomas?

A. On account of not being able to get sufficient employees in Dunnville.

Q. Was that the sole reason?

A. That was the sole reason, because we needed more help and it could not be obtained here so we first opened in St. Catharines --

BY THE COMMISSIONER: Q. What year?

A. That was 1909 I think it was.

Q. When did you open up in St. Thomas?

A. I think it was a year later.

MR. MR. KILBOCK: Was 1909 the last time you

A. No, I think that 1910

was, probably.

Q. Did these people become permanent citizens?

A. Yes, in many cases they later sent for their

families and brought them out themselves and in

some cases we would assist them to bring out the

families, and their children and in some cases their

grandchildren are employees of ours to-day.

Q. Have your company had anything to do with

building houses for your work people?

A. Yes, there was a society of houses in Burnville at one

period and we erected a block of workers' houses.

Q. What do you mean by a block?

A. No, filled the whole block.

Q. A town block?

A. Yes, but ten houses on it and rented them to our employees at very

Q. What was the reason or occasion for you

operating there in St. Catherine and St. Thomas?

A. On account of not being able to get sufficient

employees in Burnville.

Q. Was that the sole reason?

A. That was the sole reason, because we needed some help and

it could not be obtained here so we first opened in

St. Catherine --

BY THE COMMISSIONER: What year?

A. That was 1909 I think it was.

Q. When did you open up in St. Thomas?

A. I think it was a year later.

BY MR. McRUER: Q. It was this company that opened there, you didn't take over another company or anything of that sort? A. No.

Q. Just started a new industry? A. In St. Catharines we rented the premises there and later bought it -- no, I think we bought it. We bought the building that was there.

Q. The company just went in and bought that and started up? A. Yes, in St. Thomas we built our own building.

BY MR. KELLOCK: Q. I want to go back a minute to this full fashioned hosiery matter. These documents recite something -- I am not quoting from them -- that it was owing to stories that went through the trade, that manufacturers were getting from buyers, as to what various mills were selling at, that was the reason for these documents -- the practice covered by these documents -- being evolved? A. Yes, that was the principal reason.

THE COMMISSIONER: Pardon me a moment, would you please repeat what was the reason.

MR. KELLOCK: The recital is that untrue statements by buyers as to prices --

THE COMMISSIONER: As to what they had paid or were paying?

MR. KELLOCK: What they could buy at; it was more had what they could buy at than what they/actually paid.

THE WITNESS: What they said they could buy at.

MR. McRUER: The same recital carried on through all the years, word for word.

But,

BY MR. McNEIL: It was this company that operated there, you didn't take over another company or anything of that sort? A. No.

Q. Just started a new industry? A. In 21. Q. I think we bought it. A. No, I think we bought the building that was there.

Q. The company that went in and bought that and started up? A. Yes, in 22. Q. Then we built our own building.

BY MR. McNEIL: I want to go back a minute to this fall (asked history matter). These documents locate something -- I am not quoting from them -- that it was owing to stories that went through the papers, that various mills were selling at, that was as to what various mills were selling at, that was the reason for these documents -- the practice covered by these documents -- being evolved? A. Yes, that was the principal reason.

THE COMMISSIONER: Pardon me a moment, would you please repeat what was the reason.

MR. McNEIL: The reason is that various statements were given as to prices --

THE COMMISSIONER: As to what they had paid or were going to pay?

MR. McNEIL: What they could pay at; it was more than what they could pay at. THE WITNESS: What they said they could pay at.

MR. McNEIL: And that was the reason for the documents?

MR. KELLOCK: Quite true; I am asking if the recital in the very first one truly reflected the condition prevailing in the industry at that time when the practice was adopted?

A. I think so.

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Q. Was that your experience? A. It was.

Q. And have these documents, insofar as they are lived up to, enabled you to know whether or not when a buyer said he could buy at such and such a price whether he could or not?

A. It gave us an

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to opportunity/~~ex~~ telephone Major Hallam and ask him if their price was that.

Q. And so that -- well, perhaps I have covered that.

May I have exhibit 674, please, and 599? My friend was asking you with regard to exhibit 674, which is a letter from you to Mr. Hallam of the 8th of September, 1930, whether -- you say -- "Your wire received. En-

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closed herewith you will find memorandum briefly covering our views on what will take place if the Government follow our recommendation regarding changes in the tariff. You have our authority to rewrite this for publicity, providing, of course, that the regulations as brought down by the Government are satisfactory." Then, you enclose a

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memorandum. Now, you told his lordship so far as you knew it had not gone out, and that is the evidence so far. Now, I want to refer you to another exhibit --

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THE COMMISSIONER: What is the number of it?

MR. KELLOCK: 599, my lord, which is a letter from the president of the Silk Association of Canada to the former Prime Minister dated the 10th of February, 1931,

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1930

1930

RE: [illegible]

[illegible]

[illegible]

When the practice was adopted?

A. I think so.

Q. And have these documents, insofar as they are

lived up to, enabled you to know whether or not when

a buyer said he could pay as much and such a price

whether he could or not?

A. It gave us an

their advice was that.

Q. And so that -- well, perhaps I have covered the

way I have exhibited the, please, and that?

was asking you with regard to exhibit 644, which is a

letter from you to Mr. Hallam of the B.N. of September,

1930, whether -- you say -- "Your wire received. En-

closed herewith you will find memorandum briefly

covering our views on what will take place if the

Government follow our recommendation regarding

changes in the tariff. You have our authority

to rewrite this for publicity, providing, of course,

that the regulations are brought down by the Govern-

ment are satisfactory." Then, you enclose a

memorandum. Now, you told his lordship so far as you

know it had not gone out, and that is the evidence to

that. Now, I want to refer you to another exhibit

the Government; that is the number 2 is?

Mr. Hallam: 699, my lord, which is a letter from

the president of the B.N. Association of Canada to the

former Prime Minister dated the 10th of February, 1930.

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and that letter says:

"It has been suggested that we should amplify our statement regarding factory prices on page 1 of our brief on the Silk Schedule dated November 29th, 1930.

Since the tariff revision in September, 1930 the Canadian factory prices of silk fabrics have not been increased, but in many cases have been decreased. Do you know whether or not that is true, or were you interested? A. I think that would be the silk weaving industry and we would not be in that.

Q. "This is also generally true of fabrics of artificial silk", and again you would not be interested? A. No.

Q. "--although there may be special cases where fabrics containing artificial silk have been slightly increased in factory price owing to an increase in the cost of raw material, namely certain types of rayon yarns. If the recommendations made in our brief of November 29th, 1930, are carried out the manufacturers of silk and artificial silk fabrics" -- does that include you? A. No.

Q. "--will not increase factory prices, but will continue the policy of reducing factory prices, as increased production warrants, so long as the costs of raw material and labour do not increase.

The production of woven manufactures of silk and rayon is highly competitive in Canada, there being sufficient machinery to supply the present market, and the government and the people of Canada

and that letter says:

statement regarding factory prices on page 1 of
our brief on the Silk Schedule dated November 29th

(will)

Since the tariff revision in September, 1930

the Canadian factory prices of silk fabrics have
been increased, but in many cases have been

Do you know whether or not that is true, or were you

interested? A. I think that would be the

silk weaving industry and we would not be in that.

Q. "We" is also generally true of fabrics of

artificial silk, and again you would not be interested

A. No.

Q. "Although there may be special cases where

fabrics containing artificial silk have been

slightly increased in factory price owing to an

increase in the cost of raw material, namely, cotton

types of rayon yarns. If the recommendations had

in our brief of November 29th, 1930, are carried

out the manufacturers of silk and artificial silk

fabrics" -- does that include you? A. No.

Q. "Will not increase factory prices, but will

continue the policy of reducing factory prices, so

increased production remains, so long as the cost

of raw material and labor do not increase.

The production of woven manufactures of silk

and rayon is highly competitive in Canada, there

being very little competition in the market

and the government and the people of Canada

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"can be assured that efficient production costs govern the factory prices."

Now, were you interested in the woven manufactures of silk and rayon? A. No, sir.

5 Q. Then, this memorandum that you were interested in, exhibit 674, apparently never arrived and something else that you were not interested in did arrive?

A. Yes.

10 Q. Then, Mr. Burns, generally what was the situation so far as your industry is concerned; the suggestion is that some tariff protection was given in 1930, and in your case I understand it was only 2½% as far as the British preference is concerned? A. Yes, sir.

15 Q. What was the situation generally after that time? The suggestion is as to whether the manufacturers did or did not play a sort of more or less implied game of not just increasing the prices to get the benefit of that tariff unnecessarily. You referred to an interview you had had with the former Prime Minister some years later? A. Yes, sir.

20 Q. Now, what was that? A. At a meeting that there were two or three of us at, that is, a meeting in the Prime Minister's office, when we got through with the matter we were discussing he told us that we had given him an undertaking that no advantage would be taken of the tariff to enhance prices and he said he had checked the industry thoroughly and found that we had lived up to our obligation.

30 Q. Then, my friend said to you, "well, did you

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Now, were you interested in the seven manufacturers
of silk and rayon?
A. No, sir.
Q. Then, this memorandum that you were interested
in, did it say anything about the seven manufacturers
else that you were not interested in did it say?
A. Yes.
Q. Then, Mr. Burns, generally what was the situation
so far as your industry is concerned; the suggestion
is that some tariff protection was given in 1930, and
in your case I understand it was only 25% as far as
the British preference is concerned?
A. Yes, sir.
Q. What was the situation generally after that
time? The suggestion is as to whether the manufactu-
ers did or did not play a sort of more or less implied
game of not just increasing the prices to get the
benefit of that tariff unnecessarily. You referred
to an interview you had had with the former Prime
Minister, did you not?
A. Yes, sir.
Q. Now, what was that?
A. At a meeting
that there were two or three of us at, that is, a
meeting in the Prime Minister's office, when we got
together with the Minister we were discussing as to
us that we had given him an understanding that no
advantage would be taken of the tariff to enhance
prices and he said he had checked the industry thor-
oughly and found that we had lived up to our
obligation.
Q. Then, my friend said to you, "Well, did you

tell him about the full fashioned hosiery agreements at that time", and you say this letter does not include that industry at all?

5 THE COMMISSIONER: Just a minute, the letter containing the promise --

MR. KELLOCK: The undertaking, my lord; that is the letter I have read to you.

MR. McRUER: He said to me that the textile people had to agree to that before they got the tariffs.

10 MR. KELLOCK: I am just putting one question at a time; that is all I can do. That is right?

A. Yes.

15 Q. Then, am I right in this that you have already told his lordship that the prices mentioned in these full fashioned agreements, insofar as your mill was concerned, would be less than cost? A. Yes, unprofitable.

20 Q. Was there any suggestion from Mr. Bennett at any time when you, or anybody else, was giving an undertaking such as 599, or any other, that he expected you to sell below cost? A. No, my recollection is that his expression was that he expected the industry to make a reasonable profit.

25 Q. Have you, on your full fashioned hosiery business since 1930, in that period made a profit? A. No, sir.

Q. What have you done? A. We have lost money.

30 Q. Substantially? A. Yes, running into quite large figures.

tell him about the full fashioned hosiery agreements
at that time", and you say this letter does not
include that industry at all?

THE COMMISSIONER: Just a minute, the letter
containing the promise --

MR. KENNEDY: The understanding, my lord; that is
the letter I have read to you.

MR. MONTGOMERY: He said to me that the textile people
had to agree to that before they got the tariff.

MR. KENNEDY: I am just putting one question at
a time; that is all I can do. That is right?

A. Yes.

Q. Then, am I right in this that you have already
told his lordship that the names mentioned in these
full fashioned agreements, insofar as your bill
was concerned, would be less than cost? A. Yes.

Q. "As there any suggestion from Mr. Bennett
at any time when you, or anybody else, was giving
an undertaking such as 899, or any other, that he
expected you to sell below cost?" A. No, my

recollection is that his expectation was that he
expected the industry to make a reasonable profit.
Q. Have you, or your full fashioned hosiery
business since 1930, in that period made a profit?

A. No, sir.
Q. What have you done? A. We have lost

money.
Q. Substantially? A. Yes, making into and

Q. May I have 677, please? My friend asked you this morning with regard to exhibit 677 which is a circular letter from Mr. Hallam to you of the 6th of November, 1934 which deals in paragraph four with advertising allowance to be on the basis of the local newspaper lineage contract rates. Now, the advertising allowance that is referred to there, has that anything to do with the advertising which the mill itself does apart from the retail merchants?

A. Oh no.

Q. That has no connection at all? A. No connection whatever, sir.

Q. You were all on your own as far as that was concerned? A. Yes.

Q. So what you have already told his lordship explains the rest of it, that it related only to any help you gave the local merchant to advertise your product? A. Yes.

(page 9265 follows)

BURNS.

2200

Q. Now I have 677, please? My friend asked you

this morning with regard to exhibit 677 which is

a circular letter from Mr. William to you of the 6th

November, 1934 which deals in paragraph four with

advertising allowance to be on the basis of the local

newspaper image contract rates. Now, the

advertising allowance that is referred to there,

has that anything to do with the advertising which

the bill itself goes apart from the retail merchants

A. Oh no.

Q. That has no connection at all?

connection whatever, sir.

Q. You were all on your own as far as that was

concerned?

Q. So what you have already told his lordship

explains the rest of it, that it related only to

any help you gave the local merchant to advertise

A. Yes.

(page 2465 follows)

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BY MR. McRUER: Q. If you had not made any money on full-fashioned hosiery business, why are you in it? A. There is not any very easy way of getting out of it once you get in. You are hoping for the future.

Q. Well, when you say that the prices mentioned in the agreement are below your cost of production, how do you know that? A. We know that from our cost sheets.

Q. Have you cost sheets on that? A. Yes, sir.

Q. But are your cost sheets that are made up from the mill costs of production or sheets that are made up by accountants as to what ought to be the cost of production? A. Well, you have not an actual cost until after you manufacture and the costs are made up before we manufacture but they are based on previous years' experience.

Q. The price, you say, is below the cost of production - that is, sheets that are made up prospectively rather than sheets that are made up to show what they actually did cost. A. Well, when you have years of experience in connection with it you always have your previous years as a basis.

Q. Are your cost sheets made up as of the actual cost or sheets made as to what the cost ought to be.

A. Made up from the actual cost, the experience.

MR. KELLOCK: That is what he is telling you, actual cost.

9265

BURNS

BY MR. MORRIS: If you had not made any money on full-fashioned hosiery business, why are you in it?
A. There is not any very easy way of getting out of it once you get in. You are hoping for the future.

Q. Well, when you say that the prices mentioned in the agreement are below your cost of production, how do you know that?
A. We know that from our cost sheets.

Q. Have you cost sheets on that?
A. Yes, sir.
Q. But are your cost sheets that are made up from the mill costs of production or sheets that are made up by accountants as to what ought to be the cost of production?
A. Well, you have not an actual cost until after you manufacture and the costs are made up before the manufacture but they are based on previous years' experience.

Q. The price, you say, is below the cost of production - that is, sheets that are made up positively rather than sheets that are made up to show what they actually did cost.
A. Well, when you have years of experience in connection with it you always have your previous years as a basis.

Q. Are your cost sheets made up as of the actual cost or sheets made as to what the cost ought to be.
A. Made up from the actual cost, the experience.
KILLOCK: That is what he is telling you,

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MR. McRUER: Please, you do not need to help this man.

Q. Are they made up from your actual records?

A. Actual records, what it cost us.

Q. What it cost to produce? A. Yes, sir.

Q. And you are swearing that the figures set out in this agreement are below your actual cost of production? A. Yes, absolutely.

Q. What have you figured in that cost of production?

A. Start off with material to start with and then various operations that they go through and factory overhead.

Q. What is in factory overhead? A. The fone-ladies and superintendents and foremen and all that non-productive labour that is necessary.

Q. What else do you figure on? A. The administrative cost.

Q. Executive salaries? A. That would be - I don't know just what heading that would come in, but there is a general amount that is set up to cover all expenses in connection with the business.

Q. What else is figured in your cost? A. The cost of selling, a percentage of - I think it is a small percentage, for bad debts.

Q. What else do you figure in? A. I think that covers it.

Q. Do you figure in anything for profit?
A. For profit?

Q. Yes?

A. No, the costs show as against

MR. HENRY: Please, you do not need to help this

Q. Now they made up from your actual records?

A. Actual records, what it cost us.

Q. What is cost to produce?

A. And you are swearing that the figures set

out in this agreement are below your actual cost of

production? A. Yes, absolutely.

Q. That have you figured in that cost of production?

A. Start off with material to start with and then

various operations that they go through and factory

Q. What is the cost of production?

A. Labor and expenditures and foremen and all that

non-productive labor that is necessary.

Q. What else do you figure on?

A. Administrative cost.

Q. Now, what would that cost be?

A. I don't know, that would be a question for you to ask.

Q. But there is a general amount that is set up to

cover expenses in connection with the business.

A. That else is figured in your cost? A. The

cost of selling, a percentage of - I think it is

a small percentage, for bad debts.

Q. What else do you figure in? A. I think

that covers it.

Q. Do you figure in anything for profit?

A. Yes, profit.

the selling price any margin of profit there might be.

Q. I know but in figuring your cost of production that you compare with the costs set out in those hosiery agreements is there something figured in the cost of production for dividends and interest on bonds.

A. No, sir, when I say that we lose money I mean that we are actually losing part of our overhead charges without any profit.

Q. Now, you realise this that when you are running a factory you can take and isolate any particular branch and cost it in such a way to show that it would be losing money, but as a matter of fact when you have your plant, have your overhead, have your building, to establish a department like the full-fashioned hosiery it can be established profitably even though on the cost sheet it may be shown to be losing money?

A. Well, I don't know, there may be some mysterious way of doing that that we don't know.

Q. If you are running a business and have your overhead, firing, etc. it is more profitable for you to have the full-fashioned business in there than to take it out?

A. Well, profitable to have it in with another business, do you mean?

Q. Yes?

A. Yes, I think it would only bear its proportion of certain charges.

Q. You can carry it on profitably in connection with another business but if you take the cost sheets and divide that up, the other business up with it

the selling price any margin of profit there might be.

Q. I know but in figuring your cost of production

that you compare with the costs set out in these

factory agreements is there something figured in the

cost of production for dividends and interest on bonds

A. No, sir, when I say that we lose money I mean that

we are actually losing part of our overhead charges

without any profit.

Q. Now, you realize this that when you are running

factory you can take and isolate any particular branch

and cost it in such a way to show that it would be

losing money, but as a matter of fact when you have

your plant, have your overhead, have your building,

to establish a department like the full-fashioned

factory it can be established profitably even though

on the cost sheet it may be shown to be losing money?

A. Well, I don't know, there may be some mysterious

way of doing that that we don't know.

Q. If you are running a business and have your

factory, then, you, it is not possible for you

to have the full-fashioned business in there that

to take it out? A. Well, profitable to have

it in with another business, do you mean?

A. Yes, I think it would only

be the proportion of certain charges.

Q. You can carry it on profitably in connection

with another business but if you take the cost sheet

it divides that up the other business is with it

it may show that it is non-profitable.

THE COMMISSIONER: Depend on how you would divide it up.

THE WITNESS: It would depend how much you charged against that branch of the business as against the other branch.

MR. McRUER: Q. And that, I take it, is the reason you carry it on although on your costing it may show it is not profitable but when you are running it along with other business it is profitable still to keep it going? A. No, takes other branch of our business to pay the loss.

Q. Why do you keep it going? A. We hope for the future. We have always been hopeful, always hopeful something wonderful will happen in the future, and we keep it going.

Q. With these agreements going for four or five years and you have not been competing beyond a certain point and things going on, what better have you to hope for in the future? A. Well, these things get ironed out sooner or later.

Q. And one time they level up against another? A. It may be.

Q. The profits of one time level up against another and that is one thing industry has got to expect.

A. Yes, sir.

Q. There is one thing I did not take up with you and I think I should have and that is the question of

it may show that it is non-profitable.

THE COMMISSIONER: Depend on how you would divide

it up.

THE WITNESS: It would depend how much you charged

against that branch of the business as against the

other branch.

MR. MOULTON: Q. And that, I take it, is the

reason you carry it on although on your costing it may

show it is not profitable but when you are running it

along with other business it is profitable still to

keep it going? A. No, takes other branch of

our business to pay the loss.

Q. Why do you keep it going? A. To hope for

the future. We have always been hopeful, always

hopeful something wonderful will happen in the future,

and we keep it going.

Q. With these agreements going for four or five

years and you have not been coming beyond a certain

point and things going on, what better have you to

hope for in the future? A. Well, these things

get ironed out sooner or later.

Q. And one time they level up against another?

A. It may be.

Q. The profits of one time level up against another

and that is one thing industry has got to expect.

Q. Yes, sir.

Q. Would it not be true to say that the question of

and I think I should have said that the question of

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executive salaries on this returns. Better let you look at it. I see the executive salaries in 1930 amounted to \$19,199.88. In 1935 they amount to \$45,475.45? I do not understand that figure at all. I have a statement that---

Q. Well, I have got them analysed here. We will take them individually in a moment. A. Does it give the names?

A. I have your names here. Of course, there are certain salaries that are classed thus "Receiving \$5,000 a year or over," consisting of salaries, bonus and --- A. Yes, that is not ---

Q. I suppose not, they must be more than executive in this class of classification because you will see in that classification there is not as much of a variation? A. Where there is an example--

Q. Excuse me, we will deal with this classification receiving \$5,000 or over in 1930. They are not total, that is the total of the whole pay. I cannot give it that way. I can take the individuals. You are the highest paid executive? A. Yes.

Q. And in 1926 your salary was \$10,500 and in 1935 it is \$14,500? A. That consisted of directors fees and things like that.

Q. That included salaries, bonuses - I am just comparing two years. In 1927 yours was \$15,500? A. That is \$500 directors fees.

Burns

3552

executive salaries on this returns. Better let you

look at it. I see the executive salaries in

1930 amounted to \$12,122.82. In 1932 they amount

to \$25,470.45? A. I do not understand

that figure at all. I have a statement that

Well, I have got them analysed here.

will take them individually in a moment. A. Does

it give the names?

I have your names here. Of course, there

are certain salaries that are classed thus "receiving

is a part of what, receiving of salaries,

bonus and --- A. Yes, that is not

Q. I suppose not, they must be more than executive

in this class of classification because you will see

in that classification there is not as much of a

classification

Excuse me, we will deal with this class-

classification receiving \$5,000 or over in 1930. They

are not total, that is the total of the whole pay.

I cannot give it that way. I can give the

individuals. You are the highest paid executives?

A. Yes.

And in 1932 your salary was \$10,500 and in

1933 it is \$14,500? A. That consisted

of directors fees and things like that.

That included salaries, bonuses - I am just

comparing two years. In 1932 your was \$15,500?

A. That is \$100 directors fees

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Burns

Q. 1928, \$15,500. I said 1929, \$15,500. 1930
\$13,500. 1931, 12,000 --- A. That period,
a number of our leading men got together and made
a voluntary suggestion to me that their salaries be
cut 20% and I included myself.

THE COMMISSIONER: What year was it?

MR. McRUER: 1931. 1932, \$12,000. 1933,
\$12,000. 1934, back to \$14,500? A. That
was an action taken by the directors of our company.

Q. Yes, but these other gentlemen whose salaries
had been reduced in 1931 apparently have not experienced
the same? A. Here ---

Q. The cut is here. In 1931 Mr. Biddell
was drawing \$7,000. He had previously been as
high as \$10,500? A. Yes. His position was
changed. He left our business here and went and
took charge of our Toronto office.

Q. Now, he is down to \$7,500.

MR. KELLOCK: I was just wondering if any good
purpose was served in discussing these. The documents
are here to speak for themselves.

THE COMMISSIONER: Yes, but you are a little bit
late now.

MR. KELLOCK: I think I am early enough.

THE COMMISSIONER: We have not so far going into
this.

MR. McRUER: Q. The only thing I want to point
out Mr. Burns, is this: Although you say these

Q. Now, he is down to \$7,000.

A. Yes, his position was as drawing \$7,000. He had previously been as high as \$10,500?

Q. The cut is here. In 1981 Mr. Biddell took charge of our Toronto office.

A. Yes, he left our business here and went and worked elsewhere.

Q. Now, I was just wondering if any good purpose was served in discussing names. The document came to speak for themselves.

MR. KILLICK: Yes, but you are a little bit late.

MR. KILLICK: I think I am early enough.

MR. KILLICK: The only thing I want to point

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executives got together and a cut was arranged more or less voluntarily and you took it along with the rest yours came back but the other executives have not?

A. They came back in the same percentage, I think.

Q. Well, it may be --- A. As far as my salary was concerned the directors of our company are the ones that raised that when they think advisable. Any cut they have ever taken on me I have always taken it voluntarily myself.

Q. Now, this matter of the employees' wages is still rather unsatisfactory to me. We have the evidence of Mrs. Collard that her wages were cut?

A. What is the name?

Q. Mrs. Collard. Our analysis of our pay roll shows a downward trend, a general downward trend of wages, upward trend to 1930 and a downward trend after 1930 to 1934 and probably ---

A. Did you consider her evidence very satisfactory when she wound up by saying she is making \$15 to \$16 a week still.

Q. That is a question of argument but I would like to know from you as manager of this company whether there was not a downward revision of wages in 1930.

Now, our analyses all indicate that? A. I say there was never percentage cut put into effect in our business.

Q. I don't care about that - whether it was a downward revision?

A. There was probably

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executives got together and a cat was strangled more
or less voluntarily and you took it along with the re-
ports came back but the other executives have not?
A. They came back in the same percentage, I think.
A. Well, it may be --- A. As far as my

relatively was concerned the directors of our company
are the ones that raised that when they think advisable
Any out they have ever taken on me I have always taken

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A. That is a question of argument but I would
like to know from you as manager of this company whether
there was not a downward revision of wages in 1930.

A. I ...
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say there was never percentage cut but into effect
our business.

A. I don't care about that - whether it was a
downward revision?
A. There was probably

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Buffs

a downward trend as we went into the manufacture of other lines of merchandise depending on the volume of business that we would likely have and the size runs that they would have.

Q. If it was a downward trend it was a downward revision?

A. It was not revising them on the prices, it was the manufacturing of new goods.

Q. Whether new goods or not does not make a particle of difference?

A. You do not understand enough about manufacturing to get the point.

When you are manufacturing a different line of goods there may be a downward trend but it is on different products from what you have been. If you take the same line of goods, take a rubber boot, for instance, and same rubber boot, and you could cut your price of percentage but when you are making a leather boot and when you put your costs of operation on that, that is an entirely different proposition.

Q. Does not make much difference if it is new or old one. Would the employee at the end of the week have his pay roll thinner?

A. The very fact that our employees seem to be satisfied would seem to suggest we are fair in that.

Q. I am only trying to get at the facts whether pay-roll was thinner or not after 1930?

A. I am very sorry that I cannot answer it just in the way that you would like.

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of other lines of merchandise depending on the volume
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instance, and same rubber boot, and you could cut
your price of percentage but when you are making
a leather boot and when you put your costs of
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would seem to suggest we are fair in that.
.. I am only trying to get at the facts whether pay-
roll was thinner or not after 1930? A. I am
very sorry that I cannot answer it just in the way
you would like.

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Burns

Q. I don't care how you answer it if I can get that information from the Manager of the Company?

A. Well, you have asked me quite a few times and I have tried to explain to you the way it works out.

Q. Well, did it work out that the pay rolls received less, the piece work employees received less after week's work?

Now, how were your hours of labour kept, what is your system, the hours of

the piece work? A. We have clocks and every employee has to ring their time.

Q. You have a time clock? A. Yes, sir.

Q. And the tickets off the time clock are entered on the pay rolls? A. Yes, sir.

Q. And that applies to the piece workers?

A. To everybody in the employ.

Q. Now, we had some discussion with Mr. Hallam about how the hosiery agreements in 1935 were terminated and I show you a letter dated January 22nd, 1936, which I think probably explains the situation -

You received that letter? A. Yes. Well, I have not any marks on it.

EXHIBIT 689: Letter from Hallam to J.A. Burns, January 22nd, 1936.

Q. This may explain too why it was so necessary for Mr. Thompson to be present at that meeting in Montreal?

MR. KELLOCK: It was 1934 that you referred to Thompson.

MR. McRUER: I know. It may explain why they

Q. I don't care how you answer it if I can get
that information from the manager of the company?
A. Well, you have asked me quite a few times and I
have tried to explain to you the way it works out.
Q. Well, did it work out that the pay rolls re-
ceived less, the piece work employees received less
after week's work?
Now, how were your hours
of labour kept, what is your system, the hours of
the piece work?
A. We have clocks and
very employee has to ring their time.
A. You have a time clock?
A. Yes, sir.
Q. And the tickets off the clock are enter-
ed on the pay rolls?
A. Yes, sir.
Q. And that applies to the piece workers?
A. To everybody in the employ.
Q. Now, we had some discussion with Mr. William
about how the hourly agreements in 1935 were terminated
and I show you a letter dated January 2nd, 1936,
which I think probably explains the situation -
I have not any marks on it.
EXHIBIT 682: Letter from William to J.A. Burns,
January 2nd, 1936.
Q. This may explain too why it was so necessary
for Mr. Thompson to be present at that meeting in
Montreal?
MR. KELLER: It was 1934 that you referred to

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wanted him there;

"The spokesman who was to approach Canadian Silk Products in Montreal to-day has just advised me that there is no chance of getting Mr. Thompson to agree on any basis acceptable to the other mills. For this reason the market is open but:

Please remember that silk is \$2 per lb.

That the consumption of silk stockings can take all the Canadian production which is not exported.

That precipitate action should not be taken."

MR. McRUER: I think that is all, my lord.

THE COMMISSIONER: Is that all we have then for Dunnville?

MR. McRUER: Yes. Is there somebody here that wants to give evidence?

MR. FRY: Your lordship, would it be acceptable for a citizen of Dunnville to say something as to the attitude of this Corporation in relation to the Town and districts?

THE COMMISSIONER: Come on up here.

WILLIAM A. FRY, Sworn,

THE COMMISSIONER: Who will examine him?

MR. McRUER: I will.

Q. Do you want to say something? A. Yes, I do.

Q. Tell us what you want. A. It has not anything to do with the technical nature of this inquiry but for 40 years I have been publishing a

wanted him there.

"The spokesman who was to approach Canadian
Silk Products in Montreal to-day has just advised
me that there is no chance of getting Mr. Thompson
to agree on any basis acceptable to the other mill.
For this reason the market is open but:

Please remember that silk is \$2 per lb.

That the consumption of silk stockings can take
all the Canadian production which is not exported.
That precipitate action should not be taken."

MR. MORROW: I think that is all, my lord.

MR. MORROW: Is that all we have then for

the day?

MR. MORROW: Yes, is there anybody here that

wants to give evidence?

MR. TRY: Your lordship, would it be acceptable

for a citizen of Hamilton to say something as to the
attitude of this Corporation in relation to the Town

and district?

THE COMMISSIONER: Come on up here.

THE COMMISSIONER: Who will examine him?

MR. MORROW: I will.

Q. Do you want to say something? A. Yes, I do.

Q. Tell us what you want. A. It has not

seemed to me with the technical nature of this

and my but for 40 years I have been familiar with a

newspaper in this town.

Q. Which is yours? A. The Mercury. I feel.

I am an expert witness as to the relations between
this town and district and the Corporation that is
under inquiry and having heard something of criticism
of the company I felt it was fair as a Dunnville
citizen to say something in its favour. First I
would like to say this - I would like to read some
figures - I don't want to tire you but I first want
to say that the attitude of this Corporation towards
our town and district has been conducted with the
very highest ideals. I can say something that
Mr. Burns, that he could not say for himself or
did not want to say for himself but it is this that
to an unusual degree he has employed hands in the
mill that would not be employed in the average factory
in Canada and they are only employed here by virtue
of the fact that Mr. Burns has a human heart. There
are people here with age infirmities who are employed
there who would not be employed in the average
factory. Most of our philanthropies are led
by the man at the head of the Monarch Knitting Company
and I will say that the progress of this town from
the small village to its present progressive state
we feel, we old-timers of Dunnville feel, is
attributable first and last to two industries like
this one, and the Dominion Fabric in Dunnville here.

newspaper in this town.

Which is yours? A. The Mercury. I feel.

I am an expert witness as to the relations between
this town and district and the Corporation that is
under inquiry and having heard something of criticism
of the company I felt it was fair as a Pennville
citizen to say something in its favour. First I

would like to say this - I would like to read some
figures - I don't want to tire you but I first want
to say that the attitude of this Corporation towards
our town and district has been conducted with the
very highest ideals. I can say something that

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did not want to say for himself but it is this that
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of the fact that Mr. Burns has a human heart. There
are people here with age infirmities who are employed
there who would not be employed in the average
factory. Most of our philanthropies are led

by the man at the head of the Monarch Knitting Company
and I will say that the progress of this town from
the small village to its present progressive state
we feel, we old-timers of Pennville feel, is
attributable first and last to two industries like

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"The town of Dunnville, Ontario, has established an enviable record of growth and prosperity during the past five years. Development during a period of economic crisis is due to a large extent to the increasing employment afforded to the town's inhabitants by the plants of Monarch Knitting Mills Ltd. and Dominion Fabrics Ltd. Such employment to a steadily increasing number of workers has meant substantially larger pay rolls, which have been the most important single factor in supporting the community's economic life.

Dunnville is not only an important textile centre, but possesses a large market which serves to distribute the produce of the adjacent farming and agricultural districts. To a large extent, this market has been fostered and developed by purchasing power drawn from Dunnville's industries and the lot of the farmer has thereby been improved. Total industrial employment in Dunnville in 1931, when the population of the town was 3,405, according to the Federal Census of that year, may be estimated at 800 persons of which 529 or 66 per cent. of the total were employed in the plants of Monarch Knitting Co. Ltd. and Dominion Fabrics Limited.

The Record established by the two textile mills in maintaining employment in the town during 1931 was improved during succeeding years up to and including 1935, and the part played by these two

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"The town of Dunnville, Ontario, has established an enviable record of growth and prosperity during the past few years. Development during a period of economic crisis is due to a large extent to the increasing employment afforded to the town's inhabitants by the plants of Monarch Knitting Mills Ltd. and Dominion Textiles Ltd. Such employment to a steadily increasing number of workers has meant substantially larger pay rolls, which have been the most important single factor in supporting the community's economic life. Dunnville is not only an important textile center, but also a large center for the production and distribution of the produce of the adjacent farming and agricultural districts. To a large extent, this market has been fostered and developed by the power drawn from Dunnville's industries and the lot of the farmer has thereby been improved. Total industrial employment in Dunnville in 1931, when the population of the town was 8,400, according to the Federal Census of that year, may be estimated at 800 persons of which 525 or 65 per cent. of the total were employed in the plants of Monarch Knitting Co. Ltd. and Dominion Textiles Limited.

... by the ...

mills maintaining employment in the town during 1931 was improved during succeeding years up to an ... 1935, and the part played by these two

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mills during the past five years has been
a great help in meeting the municipality's tax bill.

The Monarch Knitting Co. Ltd., established
in 1903, has continuously operated its Dunnville
plant since that time, and particularly since the
year 1930 has played an important part in expanding
industrial employment in our community.

Annual wage bills paid to employees have also
been supplemented by payments for essential
equipment and supplies and much of this money has
been directly absorbed by the community, including
coal, hydro-electric power, freight, general repairs
and alterations, etc. In property taxes, The
Monarch Knitting Co. Ltd. has contributed during the
years mentioned the following amounts: 1930,
\$6,819; 1931, \$6,234; 1932, \$6,234; 1933, \$5,946,
1934, \$5,946; 1935, \$5,950.

The record of Dominion Fabrics Ltd. in contribu-
ting to the economic welfare of Dunnville during
the past five years is also equally impressive.
The Company was established in Dunnville in 1899
by the late James Camelford, and since then its plant
and equipment have been considerably expanded,
and for 36 years the concern has been in continuous
operation. The plant of the company produces all
classes of cotton terry towels and draperies,
tapestries, table covers, hammocks, and all-cotton
and cotton and rayon bedspreads. The yarns used

mill during the past five years has been

a great help in meeting the municipality's tax bill.

The Monarch Knitting Co. Ltd., established

in 1908, has continuously operated its Dunville

plant since that time, and particularly since the

year 1930 has played an important part in expanding

industrial employment in our community.

Annual wage bills paid to employees have also

been supplemented by payments for essential

equipment and supplies and much of this money has

been directly absorbed by the company, including

cost, hydro-electric power, freight, general repairs

and alterations, etc. In property taxes, The

Monarch Knitting Co. Ltd. has contributed during the

past five years the following amounts:

1934, \$1,245; 1933, \$1,245; 1932, \$1,245;

1931, \$1,245; 1930, \$1,245.

The record of Dominion Industries Ltd. in contribut-

ing to the economic welfare of Dunville during

the past five years is also equally impressive.

The Company was established in Dunville in 1908

by the late James Gamble, and since then its plant

and equipment have been considerably expanded,

and for 30 years the concern has been in continuous

operation. The plant of the company produces all

classes of cotton Terry towels and garments,

including, for example, bath towels, handkerchiefs,

and many other items. The yarns used

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by the company are supplied by its subsidiary, Dominion Yarns Ltd., Welland, Ont., which was incorporated in 1926.

Employment in the plant during the six years from 1930-35 has been maintained at a completely satisfactory level and amounted to approximately 200 persons.

In conclusion, it can be added that in 1934 Dunnville's total taxes amounted to \$104,861. The Monarch Knitting Co. Ltd., and Dominion fabrics Ltd., and their employees who own their homes paid \$19,494 or 17½ per cent. of the total taxes. Employees of these two companies rent homes which paid taxes amounting to \$6,135 or 6 per cent of the total taxes. These two classes paid 23½ per cent. or nearly one-quarter of the total taxes of Dunnville. Of the 682 homes in Dunnville, 174 are owned by employees of the two large textile companies. And the town of Dunnville is in a strong financial position and has reduced its debenture debt from \$445,300 in 1920 to \$242,745 in 1935, and during this time has not increased its rate of taxation."

That is all I wish to say.

MR. McRUER: Q. The question I wanted to ask you about the taxes that the company pays, has it got a fixed assessment?

A. Yes, I think it has.

Q. When was the assessment fixed?

A. I cannot

by the company are supplied by its subsidiary,
Incorporated in 1918.

Employment in the plant during the six years
from 1930-31 has been maintained at a completely
satisfactory level and amounted to approximately

In conclusion, it can be said that in

1931 Brantville's total taxes amounted to
\$104,000. The Brantville Lumber Co. Ltd., and
Brantville Lumber Ltd., and their employees who
own their homes paid \$1,400 or 1.4 per cent.

of the total taxes. Employees of these two

to \$1,125 or 1.1 per cent of the total taxes. Two

two classes paid 1.5 per cent, or nearly one-

percent of the total taxes of Brantville. Of the 50

homes in Brantville, 14 are owned by employees of the

two large textile companies, and the town of

Brantville is in a strong financial position

and has received its revenues from 1930-31

in 1930 to 1931, 1931 to 1932, and during this time

has not exceeded its rate of taxation.

That is all I wish to say.
MR. WARD: The question I wanted to ask you
about the taxes that the company pays, has it got
fixed necessarily? I think it has.

MR. WARD: The assessment fixed? I cannot

tell you.

Q. I notice that the taxes for 1935 are \$5,950.
In 1932 they were \$6,234. In 1930 they were \$6,819.

5 I was just wondering how the company's tax bill
decreased between 1930 and 1935. I have not had

that experience myself? A. I cannot explain

that but I can say this: That the taxes that these
10 mills pay in this town shows the estimation in which
the industry and the help it is to our citizens is
due by the people of the town, who must fix this
taxation themselves.

Q. What is it you have in view, that the amount
15 of taxes they pay shows the estimation in which
their fellow citizens hold the company in the town?

A. Through the fixed assessment.

Q. What is the assessment, do you know?

A. I cannot tell you that.

20 Q. Probably get that from Mr. Burns. I will
probably get from him why the tax bill decreased.

Have you a relief problem in your town?

A. Yes, we have to a less extent than any other town
25 of our size in Ontario, by virtue of the fact that
this mill divides up their employment.

Q. How is your relief problem handled, by
the municipality?

A. By the Town Council,
special committee appointed by the Town Council.

30 Q. You would have to increase your taxes?

A. No, out of current account, it was so little
we could do that.

Q. I notice that the taxes for 1930 are \$5,800.

A. In 1928 they were \$6,000. In 1929 they were \$6,813.

Q. I was just wondering how the company's tax bill

decreased between 1929 and 1930. I have not had

that but I can say this: That the taxes that these

mills pay in this town shows the estimation in which

the industry and the help it is to our citizens is

due by the people of the town, who must fix this

estimation themselves.

Q. What is it you have in view, that the amount

of taxes they pay shows the estimation in which

their fellow citizens hold the company in the town?

A. Through the fixed assessment.

Q. What is the assessment, do you know?

A. I cannot tell you that.

Q. Probably get that from Mr. Burns. I will

probably get from him why the tax bill decreased.

Q. Have you a relief problem in your town?

A. Yes, we have to a large extent than any other town

of our size in Canada, by virtue of the fact that

this still divides up their employment.

Q. How is your relief problem handled, by

A. By the Town Council.

Q. A special committee appointed by the Town Council.

A. You would have to increase your taxes?

A. No, out of current account, it was so little

. And do you know if taxes have decreased in Dunnville on private residence?

A. No, but they have not increased.

Q. They have not decreased on private residences? A. No.

Q. Since 1930? A. The assessor is here and he can tell you.

. Since 1930 have they decreased or increased, do you know. How about your own? A. We had a lower rate last year than prior year.

MR. JACKSON: (The Assessor): The rates were lower last year.

MR. KELLOCK: That is your explanation?

MR. McRUER: No, that would not do because the drop here is between 1932 and 1933, first drop and then the same for 1934 and 1935. Well, if the assessor is here probably he could tell us.

WILLIAM ROPER JACKSON, Sworn,

EXAMINED BY MR. McRUER:

Q. Could you tell me what the Assessment of the Monarch Knitting Company is in Dunnville?

A. The Assessment on the Monarch Knitting Company is \$100,000. That is for general purpose and additional \$78,000 for school rates, that is \$178,000.

Q. Yes, but the school rate is separate from the assessment. You do not add the two together as to the assessed value of the property. When you assess you assess the value of the property ordinarily.

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And do you know if taxes have decreased
in Danville on private residences?
A. No, but they have not increased.
They have not decreased on private
residences?
A. Since 1930?
The assessor is here
and he can tell you.
A. Since 1930 have they decreased or increased,
do you know. How about your own?
Lower rate last year than this year.
MR. BRYDIE: (The Assessor): The rates were
lower last year than this year.
MR. BRYDIE: That is your explanation?
MR. BRYDIE: No, that would not be because the
drop here is between 1932 and 1933, first drop and
then the same for 1934 and 1935. Well, it is
assessor is here probably he could tell me.
MR. BRYDIE: (The Assessor):
A. Could you tell me what the assessment of
the Danville Knitting Company is in Danville?
A. The assessment on the Danville Knitting Company is
\$100,000. That is for general purpose and abatement
\$5,000 for abatement, that is \$105,000.
A. Yes, but the school rate is separate from the
assessment. Yes do not add the two together as
the assessed value of the property.

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when you are dealing with ordinary man's house, and then you strike the rate. But the assessment for school purposes is different? A. Yes.

5 Q. Why is that? A. According to the Act, as you know, property shall be assessed at its actual value. There is no exemption whatever for school purposes in fixed assessment. Therefore, the land and buildings are assessed at what I consider their actual value.

10 BY THE COMMISSIONER: Q. What is that?

A. \$178,000, that is on their plant. That does not include their homes or houses.

15 MR. McHUR: Q. That is what the school rate is struck on? A. Yes.

Q. For the general rate there is a fixed assessment at \$100,000? A. Yes, sir.

20 Q. Can you explain why the amount paid in taxes decreased between 1932 and 1933? A. Well, I cannot explain that. I am the assessor, not tax collector. I don't know anything about it. But I do know the water rate changes according to the amount of water used. That is included in that and I know they have sold some of their property.

25 I am just talking about assessment on their plant and not on their private homes and lots that they own in this town.

30 -- The Commission adjourned at 3.15 P.M. to resume in St. Catharines, Tuesday, October 13th, 1936, at 2 o'clock P.M.

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When you are dealing with ordinary man's house, and then you strike the rate. But the assessment for school purposes is different? A. Yes. Q. Why is that? A. According to the Act, as you know, property shall be assessed at its actual value. There is no exemption whatever for school purposes in fixed assessment. Therefore, the land and buildings are assessed at what I consider their actual value. BY THE COMMISSIONER: Q. What is that? A. \$178,000, that is on their plant. That does not include their homes or houses. MR. McHUGH: Q. That is what the school rate is struck on? A. Yes. Q. For the general rate there is a fixed assessment at \$100,000? A. Yes, sir. Q. Can you explain why the amount paid in taxes decreased between 1932 and 1933? A. Well, I cannot explain that. I am the assessor, not tax collector. I don't know anything about it. But I do know the water rate charges according to the amount of water used. That is included in that and I know they have sold some of their property. I am just talking about assessment on their plant and not on their private homes and lots that they own in this town. -- The Commission adjourned at 3.15 P.M. to resume in St. Catharines, Tuesday, October 13th, 1936, at 2 o'clock P.M.

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